COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION (Retail Applications)

City of Santee
10601 Magnolia Ave
Santee, CA 92071
Email:
cannabisinfo@cityofsanteeca.gov

APPLICANT (ENTITY) INFORMATION

Applicant (Entity) Name: Catalyst - Santee LLC DBA: Catalyst - Santee

Physical Address: 401 Pine Avenue (*Street*) Long Beach (*City*) CA (*State*) 90802 (*Zip*)

Primary Contact: Damian Martin Title: Owner / Member, Attorney, & Community Relations Liaison

Mailing Address: 401 Pine Avenue (*Street*) Long Beach (*City*) CA (*State*) 90802 (*Zip*)

Phone Number: (757) 652-0460 Email: damian.martin.esq@gmail.com

HAS ANY INDIVIDUAL IN THIS APPLICATION APPLIED FOR ANY OTHER CANNABIS PERMIT IN THE CITY OF SANTEE? ☐ Yes ■ No

Indicate whether you intend to operate a Microbusiness with Retail. ☐ Yes ■ No

Business Formation: Describe how the business is organized.

☐ Sole Partnership ☐ Corporation ☐ S-Corporation ☐ Limited Partnership ■ Limited Liability Company

☐ Other (*please describe*):

PROPOSED LOCATION

Property Owner Name: Hoang Tran and Minh Chau Tran as husband and wife joint tenants

Proposed Location Address: 8625 Cuyamaca Street (*Street*) Santee (*City*) CA (*State*) 92071 (*Zip*)

Property Owner Phone Number: (949) 463-5672 Email: jbucher@madisonstreetpartners.net

Zoning Clearance Letter : ■ Yes ☐ No

Assessor's Parcel Number (APN): 384-161-24-00

APPLICATION SUBMITTAL CHECKLIST

Applications must be submitted online via the City of Santee's Permitting and Licensing Portal. Applicants failing to submit any of the following will be deemed incomplete and will not move forward in the application process:

- ✓ A complete and signed Commercial Cannabis Business Permit Application form and Evaluation Criteria. The evaluation criteria response is limited to 125 pages.
- ✓ A signed Financial Responsibility, Indemnity and Consent to Inspection Agreement form.
- ✓ A signed Agreement to Limitations of City Liability and Indemnification to City form.
- ✓ Verification of Live Scan background submittal
- ✓ A signed and notarized Property Owner Consent/Landlord Affidavit.
- ✓ Proof of Insurance or Letter of Insurability from the Insurance Company
- ✓ Proof of Capitalization
- ✓ Zoning Verification Letter.
- ✓ Application Fee. (Note that this fee should be submitted in person to the City).

OWNER INFORMATION

For the purpose of this section, "owner" shall have the same meaning as the word "owner" set forth Santee Municipal Code Section 7.04.060, which includes any of the following:

1. A person with an aggregate ownership interest of 10 percent or more in the commercial cannabis business, unless the interest is solely a security, lien, or encumbrance;
2. An individual who manages, directs, or controls the operations of the commercial cannabis business, including but not limited to: A) member of the board of directors of a nonprofit; B) A general partner of a commercial cannabis business that is organized as a partnership; C) A non-member manager or manager of a commercial cannabis business that is organized as a limited liability company; D) The trustee(s) and all persons who have control of the trust and / or the commercial cannabis business that is held in trust; E) An individual with the authority to provide strategic direction and oversight for the overall operations of the commercial cannabis business, such as the chief executive officer, president or their equivalent, or an officer, director, vice president, general manager or their equivalent; F) An individual with the authority to execute contracts on behalf of the commercial cannabis business.

Ownership percentages should total 100%. If any individual(s) own(s) less than 10%, list the number of individuals who own less than 10% and the total percentage to reach 100%. For example, If John Doe owns 5%, Joe Smith owns 8%, and Mary Jones owns 9% state at the bottom of this form that three individuals own 22% so that the total will equal 100% once you individually include all those who own 10% or more.

I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.

Ownership % 67% **Background information is included as required?** ■ Yes ☐ No

Owner Name: Elliot Lewis Title: Owner / Member & LLC Manager

Address: [redacted] *Street* [redacted] *City* [redacted] *State* [redacted] *Zip*

Signature: DocuSigned by: Elliot Lewis 55F129FC5F22456... Date: October 21, 2024

I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.

Ownership % 33% **Background Information is included as required?** ■ Yes ☐ No

Owner Name: Damian Martin Title: Owner / Member, Attorney, & Community Relations Liaison

Address: [redacted] *Street* [redacted] *City* [redacted] *State* [redacted] *Zip*

Signature: DocuSigned by: Damian Martin 9ABE974CE1E1494... Date: October 21, 2024

I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.

Ownership % _____ **Background Information is included as required?** ☐ Yes ☐ No

Owner Name: _____ Title: _____

Address: _____ *Street* _____ *City* _____ *State* _____ *Zip*

Signature: _____ Date: _____

I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.

Ownership % _____ **Background information is included as required?** ☐ Yes ☐ No

Owner Name: _____ Title: _____

Address: _____ *Street* _____ *City* _____ *State* _____ *Zip*

Signature: _____ Date: _____

Add more pages as necessary to accommodate all Commercial Cannabis Business Owners

SUPPORTING INFORMATION

List all fictitious business names the applicant is operating under including the address where each business is located:

Catalyst - Santee LLC's fictitious business name "Catalyst - Santee" is still in the approval process with San Diego County. Alternative fictitious business names that Catalyst - Santee LLC applied for are "Catalyst Cannabis - Santee", "Catalyst Santee", "Catalyst Cannabis Santee", and "Catalyst Cannabis Co. - Santee". These fictitious business name would be used at 8625 Cuyamaca Street, Santee, CA 92071, pursuant to this Application; otherwise, Catalyst - Santee LLC is not operating under any fictitious business names at any address.

Has the Applicant or any of its owners been the subject of any administrative action, including but not limited to suspension, denial, or revocation of a cannabis business license at any time in the previous five (5) years? If so, please list and explain:

Neither Catalyst - Santee LLC nor any of its owners have been the subject of any administrative action, including but not limited to suspension, denial, or revocation of a cannabis business license at any time in the previous five (5) years.

Is the Applicant or any of its owners currently involved in an application process in any other jurisdiction(s)? If so, which jurisdiction(s)?

Catalyst - Santee LLC is not currently involved in an application process in any other jurisdiction; however, the owners of Catalyst - Santee LLC are currently involved in application processes in the following jurisdictions: City of Artesia, CA; City of Baldwin Park, CA; City of Bellflower, CA; City of Costa Mesa, CA; City of Daly City, CA; City of El Monte, CA; City of Fontana, CA; City of Fresno, CA; City of Grover Beach, CA; City of Hawthorne, CA; City of Lancaster, CA; City of Long Beach, CA; City of Los Angeles, CA; City of Lynwood, CA; City of Marina, CA; City of Moreno Valley, CA; City of Oxnard, CA; City of Patterson, CA; City of Pomona, CA; City of Riverside, CA; City of San Bernardino, CA; City of San Diego, CA; City of Santa Ana, CA; City of Stanton, CA; City of Stockton, CA; City of Vista, CA; City of Watsonville, CA; County of Riverside, CA; County of Tulare, CA; State of California; and State of Illinois.

APPLICATION CERTIFICATION

I hereby certify, under penalty of perjury, on behalf of myself and all owners, corporate officers, partners, and managers identified in this application that the statements and information furnished in this application and the attached exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented are true and correct to the best of my knowledge and belief. I understand that a misrepresentation of fact is cause for rejection of this application, denial of the permit, or revocation of a permit issued.

In addition, I understand that the filing of this application grants the City of Santee permission to reproduce submitted materials for distribution to staff, Commissions, Boards and City Council Members, and other Agencies to process the application. Nothing in this consent, however, shall entitle any person to make use of the intellectual property in plans, exhibits, and photographs for any purpose unrelated to the City's consideration of this application.

Furthermore, by submitting this application, I understand and agree that any business resulting from an approval shall be maintained and operated in accordance with requirements of the City of Santee Municipal Code and State law.

Under penalty of perjury, I hereby declare that the information contained in within and submitted with the application is true, complete, and accurate. I understand that a misrepresentation of the facts is cause for rejection of this application, denial of a license or revocation of an issued license. I further authorize the City, its agents, and employees to seek verification of the information contained in the application.

Elliot Lewis	DocuSigned by: Elliot Lewis 55F129FC5F22456...
Name	**Signature**
Owner / Member & LLC Manager	October 21, 2024
Title	**Date**

For information required as part of the application process, see the Application Procedures and Review Criteria, City of Santee Municipal Code Chapter 7.04. All documents can be found online at https://www.cityofsanteeca.gov/business/cannabis-business. For questions, please email: cannabisinfo@cityofsanteeca.gov.

CATALYST

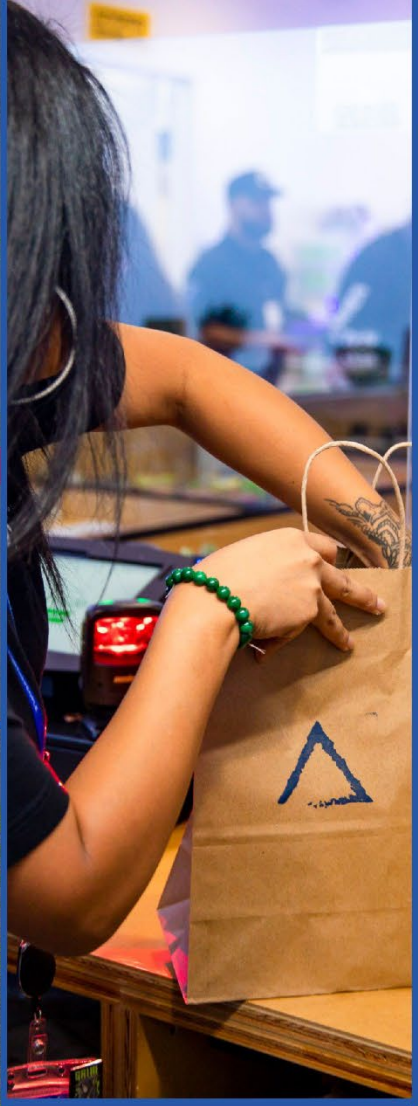
#WEEDFORTHEPEOPLE

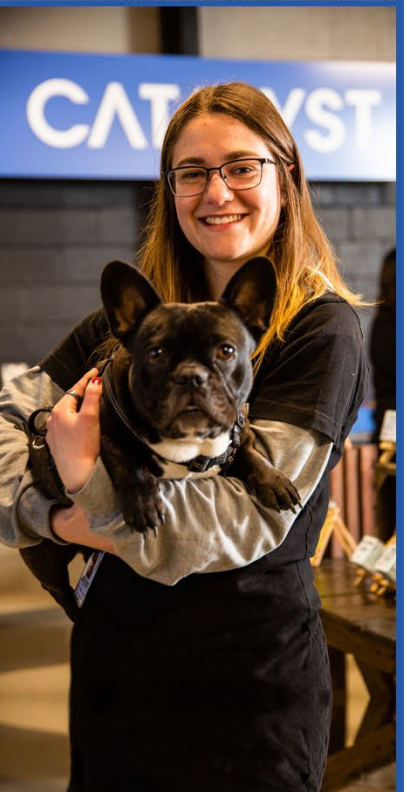
CATALYST - SANTEE LLC
d.b.a. CATALYST SANTEE

"Catalyst is for everyone. Catalyst is Weed for the People"

Elliot Lewis, Founder
Catalyst Cannabis Co.

CONTACT | DAMIAN MARTIN
DAMIAN.MARTIN.ESQ@GMAIL.COM
(757) 652 - 0460





OUR REACH IS UNMATCHED

CATALYST CAUSES ★

CATALYST STORES ★

CATALYST CANNABIS CO.

Elliot Lewis and Damian Martin are the founders of Catalyst Cannabis Company.

Catalyst is possibly the fastest growing cannabis retail group in existence. Catalyst has been a force to be reckoned with as it has outstripped its competitors at a scale unprecedented in the California cannabis industry. We set ourselves apart by proactively seeking out opportunities for community betterment and promoting a culture of volunteerism within our company.

We are a community-oriented business. Humanitarianism and activism are key tenets of our #weedforthepeople business model; There is no truer expression of these ideals than coming together with friends and neighbors to defend the planet or fight for equality.

Catalyst seeks to forge partnerships with local governments in California that have an appreciation for cannabis culture, cannabis as medicine, and our company's people-first mission. To that end, we are thrilled to expand into the city of Santee (the "City" or "Santee"). As this will give our unique business model and weed for the people of mission a larger and more powerful platform for expression.

Catalyst now has **28** operational retail locations, a distribution campus, and over 50 charitable works initiatives. The management skill required of an operation of this size is both immense. and intense. We can confidently state that Catalyst's team of Owners is one of the most experienced and qualified teams of cannabis retailers in California, the U.S. and the entire world.

Our mission is to push the cannabis industry forward in a positive way, and become the #1 cannabis business in the hearts and minds of our customers.

Elliot Lewis

Owner / Member & LLC Manager

Elliot Lewis is a humanitarian and philanthropist. Having transitioned to cannabis from the highly competitive real estate development world, he has made it his mission to use his business experience for good. Mr. Lewis believes that being a good as corporate citizen is the key to having long-lasting success in close-knit communities like Santee. His idealism and energy are the heartbeat of the Catalyst organization.

Damian Martin, Esq., MBA

Owner / Member & Attorney

Damian Martin is one of the most prolific and successful cannabis administrative attorneys in California and the U.S. His unflinching moral compass stays our course as we tirelessly expand the #weedforthepeople movement

JURIS DOCTOR | UCLA SCHOOL OF LAW

BAR #309684

Welcome to Catalyst Santee!

Catalyst - Santee LLC d.b.a. Catalyst - Santee (our "Company" or "Catalyst Santee") proposes to operate an storefront cannabis retailer in the city of Santee, performing onsite sales of cannabis goods. Our proposed property development is located at APN 384-161-24-00, correlating to the address 8625 Cuyamaca St, Santee, CA 92071 ("8625 Cuyamaca"). Catalyst Santee is owned by Elliot Lewis and Damian Martin, and will be financed by South Cord Holdings LLC ("South Cord") d.b.a. Catalyst Cannabis Company ("Catalyst").

Elliot Lewis and Damian Martin are the sole owners of Catalyst Santee and the majority owners of Catalyst Cannabis Co. Our Owners are highly experienced at executing large-scale real estate development projects in the cannabis field. Catalyst has a broad portfolio of cannabis retail, distribution, and real estate assets. There are currently 29 operational Catalyst-branded licensees.

Our Owners have created one of the largest and most powerful retailers in the State, and we have developed a unique and powerful cannabis retailer model widely admired across the industry. Since its inception, Catalyst has scaled at an unprecedented rate to meet the growing needs of the community and our "Weed for the People" movement.

The Catalyst family of retailers is steadily growing. Catalyst's 29 active licensees are all owned and/or operated by Elliot Lewis and Damian Martin. As we transition into discussing the financial aspects of our Company, we would like to demonstrate the size and scope of our organization. Our success speaks for itself! Please review the following page to learn more about our cannabis industry footprint.

We project to reach thirty-five retail locations by the end of 2025.

CATALYST STORES

Elliot Lewis and Damian Martin built Catalyst using their dedication to the "Weed for the People" movement.

Our movement is people powered! Expanding the Catalyst footprint requires skillful navigation of both industry and regulatory hurdles. Catalyst has an excellent track record of business operations; staying lean and operating efficiently is how we keep our business model strong. Our team is highly experienced in expansion and in creating top-of-class local workforces to represent our company. As we continue to successfully scale up, our customers increasingly feel the benefits of decreased overhead costs and increased quality oversight. The *#weedforthepeople* movement is coming soon t o a city near you!

28 RETAILERS
1 DISTRIBUTION
9 DEVELOPING

FOUNDED 2018

A.1 Finances

Relevant Citations:
Santee Municipal Code ("SMC") § 7.04.330. Fees and Charges
SMC § 7.04.110 Community Benefits

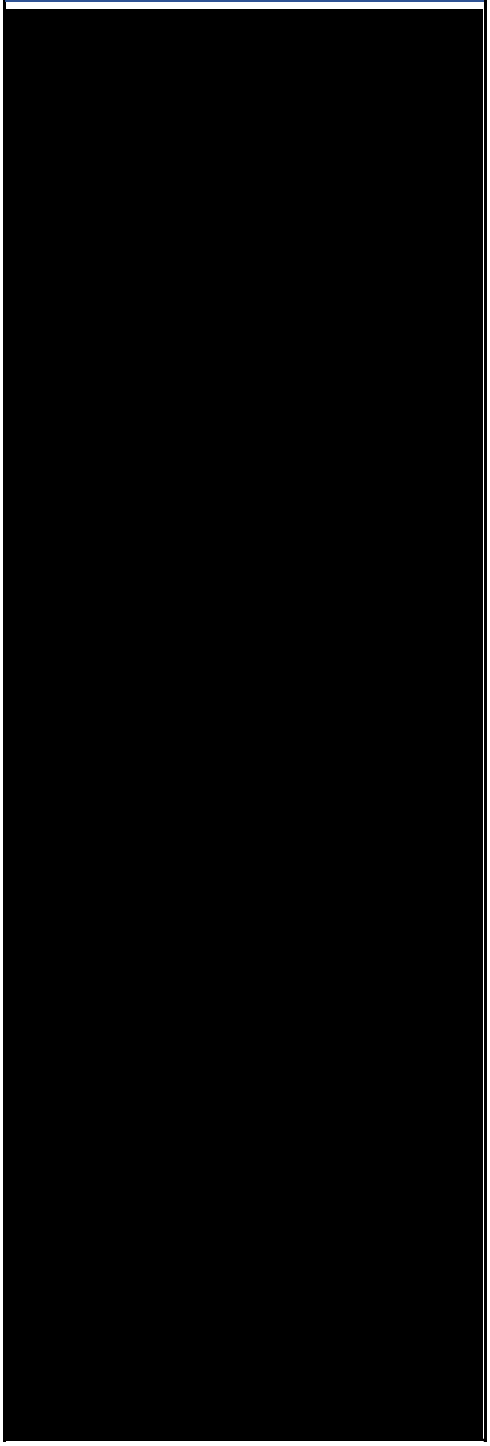
Using our financial expertise and our intimate knowledge of cannabis assets, the cannabis license market, and cannabis real estate, we feel confident in our assessment of the future Santee cannabis market. We expect that Catalyst Santee will be extremely viable in the marketplace and could potentially be one of the top-performing Catalyst retailers in California. To fully understand our confidence, it is important to understand what sets our business model apart from our competitors. Catalyst specializes in competitive pricing and will aim to offer the lowest prices on cannabis products in the market.

We provide industry-best prices by utilizing two unique concepts, *self-distribution* and *centralized purchasing.*

- **What is *"self-distribution"*?** All distribution for Catalyst branded cannabis retailers is presently done through the Catalyst distribution facility located in the City of Bellflower. Self-Distribution takes us completely outside of the retail pricing framework and avails us of distribution wholesale purchasing. As a result, our product acquisition costs are proportionally lower than retailer operators that cannot self-distribute; removal of third-party distributors from the supply chain eliminates approximately 20% of the operational costs embedded within industry-wide retail prices.
- ***What is "centralized purchasing"*?** Catalyst branded retailers can leverage purchasing power by purchasing simultaneously for all 28 Catalyst retailers. Bulk purchasing gives us even more leverage in negotiating our prices with our brand partners. Providing low-priced cannabis products to our customers closes the circle on the "Weed for the People" philosophy. We do not only "talk the talk," but we also "walk the walk" at Catalyst.

Our ever-expanding retail footprint is the lifeblood of our Company's "Fire Weed at Fire Prices" retail approach. The larger we become, the more buying power we obtain through centralized purchasing. As our Company expands into Santee and we scale more and more largely, we will be empowered to provide even more *#fireweedatfireprices*. As a result, **we will draw even more customers into Santee, produce even more tax revenue for the City, and expand our community engagement and benefits - *this is what we call the "Weed for the People" virtuous cycle.***

Financial Strength
2023 Companywide Sales



We Expand » Prices Drop » Foot Traffic Increases » Tax Revenue Increases » Repeat

(i) Budgets - Sources & Uses of Funds

Real-life cannabis industry data fuels our financials. They are based on our Owners' real-world experience developing and operating 28 cannabis retail businesses throughout California. In other words, our Company's analysis is not based on estimates or a speculative model, but rather is built using actual financial records from existing Catalyst retailers *in markets like Santee*. According to our internal research, the Catalyst retailer market that will be most like Santee is Pomona.

- ✓ Both Catalyst Santee & Catalyst Pomona have ideal freeway access
- ✓ Both Catalyst Santee & Catalyst Pomona have ample parking
- ✓ Both Catalyst Santee & Catalyst Pomona are located near complimentary commercial businesses
- ✓ Both Santee & Pomona are issuing only 4 cannabis business permits
- ✓ Like Pomona, the City of Santee has been effective in enforcement against illegal cannabis retail businesses
- ✓ Both Santee & Pomona are surrounded by other densely populated municipalities that prohibit cannabis retail businesses
- ✓ Santee has a significantly higher median income than Pomona - over 50% higher in fact. Pomona residents capture a median income of $29,309 annually, compared to Santee's median income of $44,883.
- ✓ Catalyst Pomona is the highest performing Catalyst cannabis retail business, generating over [redacted] dollars in sales and $24 million in revenue in 2023 - once mature, we expect Catalyst Santee to perform as well as, if not better, than Catalyst Pomona

Our Company has taken the existing financial performance of our highly successful cannabis storefront retailer in Pomona and created these financials by updating the actual data, based on the following assumptions*:*

1. The first three years of operational revenue and expenses (other than employee compensation because our Company has increased pay rates since 2021 when Catalyst Pomona began operating and rent that is location specific) for Catalyst Santee's proposed cannabis storefront retailer will mirror that of Catalyst Pomona, which has now been open and operating for 35 months. As the Catalyst Pomona operation has stabilized over nearly three years of operation, Catalyst Santee's projected 36th month will mirror that of Catalyst Pomona's 35th month.
2. Our Company had a construction budget and schedule prepared by our Owners' long-time cannabis construction contractor, Delta Construction & Electric Co. ("Delta"). The estimated construction budget for our Company's proposed development project and cannabis storefront retailer is $1,008,900 (including $85,000 budgeted for security equipment and $35,000 budgeted for furniture, fixtures, and equipment).
3. To secure 8625 Cuyamaca by way of purchase agreement, our Company negotiated a purchase price of $1,500,000. However, rather than outlaying vital capital to purchase 8625 Cuyamaca Street outright, Catalyst Santee will tap into owner Elliot Lewis's deep network of real investors for a real estate investor to purchase 8625 Cuyamaca Street at the purchase price of $1,500,000 and leaseback 8625 Cuyamaca Street to Catalyst Santee. To lease 8625 Cuyamaca Street and give the real estate investor a 12% "cap rate" as is the market rate for cannabis retailer leases and from our Owners' previous experience, our Company will pay $15,000 per month ("Base Rent") and a $30,000 security deposit commencing upon the City issuing a Certificate of Occupancy for our Company's cannabis storefront retailer (the "Commencement Date") with Base Rent increasing 3% on each anniversary of the Commencement.
4. Pursuant to our Community Benefits and Investment Plan, Catalyst Santee will pay (1) a direct fee to the City equivalent to 6% of annual gross receipts and (2) $100,000 per year to directly aid, participate in, or fund the work of local non-profits, community-based organizations, civic organizations, or social services organizations upon the Commencement Date.

5. Our Company has spent approximately $50,000 in professional services to prepare our Commercial Cannabis Business Permit Application, and will owe the City's Commercial Cannabis Business Permit Application fees upon submission. We project that we'll owe approximately $100,000 in licensing fees to the City and the State prior to legally commencing operations.
6. Upon approval of its Commercial Cannabis Business Permit, our Company will engage legal counsel, land use consultants, and architects and spend $150,000 in professional fees to acquire a Certificate of Occupancy to operate a cannabis storefront retailer.
7. Our Company considers our security deposit, the first two years of rent, and the first three months of estimated operating expenses and cannabis purchases as startup costs.
8. Our Company's budget includes an additional 10% for anticipated contingency costs.

Catalyst Santee's funds will sourced from the personal wealth of our Owners and their highly successful affiliated business, South Cord Management LLC.

As evidenced in our financial documents, Catalyst has achieved robust financial solvency and is on a trajectory to expand beyond the boundaries of the State cannabis market.

Through partnerships with communities like Santee, Catalyst will continue our mission of creating lasting and meaningful change one community at a time, and spreading the **#weedforthepeople** movement.

Catalyst Santee Budget

Start-Up Expense	Cost
Operating Expenses	
Pre-Operational Professional Services	$200,000
Pre-Operational City Fees	$75,978
Pre-Operational State Fees	$50,000
Security Deposit plus Two Years of Rent	$395,400
Three Months of Maintenance	$2,869
Three Months of Employee Compensation	$637,974
Three Months of Security Staff	$45,660
Three Months of City Direct Fee	$89,483
Three Months of Community Benefits	$25,000
Three Months of Utility Costs	$2,523
Three Months of Product Purchases	$1,267,688
Three Months of Operating Expenses	$54,649
Total Operating Expenses	**$2,847,224**
Capital Expenses	
Construction	$888,900
Security Equipment	$85,000
Furniture, Fixtures, & Equipment	$35,000
Total Capital Expenses	**$1,008,900**
Anticipated Contingency Costs	$385,612
Total Start-Up Expenses	**$4,241,736**

A.1.A Proof of Capitalization

Catalyst Santee will be capitalized by the personal wealth of our Owners and their highly successful affiliated businesses. Our Company has entered into a promissory note in the amount of $4,500,000 with Catalyst Cannabis Co, which is majority owned and operated by Elliot Lewis and Damian Martin. Catalyst Cannabis Co. is a highly successful and financially stable business.

Our Company's proof of adequate capitalization is included for your review in our supporting documents Our records demonstrate that Catalyst has [redacted] in its East West Bank account as of September 30, 2024, which well exceeds Catalyst Santee's promissory note amount of $4,500,000; Catalyst Cannabis Co's promissory note amount of $4,500,000 is well in excess of our Company's start-up budget of $4,241,736.

A.1.B Pro Formas

	2024	2025	2026	2027	2028	Total
Total Revenue	**$0**	**$0**	**$13,821,352**	**$25,805,798**	**$26,282,046**	**$65,909,196**
City Direct Fee	$0	$0	$829,281	$1,548,348	$1,576,923	$3,954,552
Community Benefits	$0	$0	$100,000	$100,000	$100,000	$300,000
Cost of Goods Sold	$0	$0	$9,402,356	$13,111,374	$12,888,682	$35,402,412
Net Revenue	**$0**	**$0**	**$3,489,715**	**$11,046,076**	**$11,716,442**	**$26,252,233**
Salary & Wages	$0	$0	$2,208,812	$2,655,557	$2,993,700	$7,858,069
Payroll Tax Expense	$0	$0	$205,259	$246,773	$278,196	$730,228
Payroll Processing Fees	$0	$0	$19,151	$23,025	$25,956	$68,132
Workers Comp Expense	$0	$0	$71,435	$85,883	$96,819	$254,137
Health Care	$0	$0	$47,239	$56,793	$64,025	$168,057
Employee Compensation	**$0**	**$0**	**$2,551,895**	**$3,068,031**	**$3,458,696**	**$9,078,622**
Maintenance	$0	$0	$2,149	$19,529	$25,035	$46,713
Equipment	$0	$0	$11,476	$12,433	$11,476	$35,386
Property Lease	$0	$0	$210,000	$185,400	$190,962	$586,362
Security	$0	$0	$232,078	$398,411	$289,085	$919,574
Other City Fees	$25,978	$50,000	$50,000	$50,000	$50,000	$225,978
State Fees	$0	$50,000	$50,000	$50,000	$50,000	$200,000
Utility Costs	$0	$0	$3,486	$7,309	$13,859	$24,654
Phone, Internet, & IT	$0	$0	$31,811	$28,989	$32,596	$93,397
Insurance	$0	$0	$12,945	$25,193	$25,686	$63,824
Bank Fees	$0	$0	$29,249	$48,906	$31,962	$110,117
Marketing	$0	$0	$60,155	$45,664	$118,771	$224,591
Meals & Food	$0	$0	$2,604	$2,344	$2,652	$7,600
Office Supplies	$0	$0	$31,668	$54,268	$34,844	$120,781
Professional Services	$50,000	$150,000	$31,412	$7,915	$22,666	$261,993
Net Profit (Loss)	**($75,978)**	**($250,000)**	**$178,785**	**$7,041,683**	**$7,358,151**	**$14,252,641**

A.1.C Schedule of Operations & Narrative of Proposed Improvements

Our launch timeline is informed by our Owners' experience having developed one of the largest chains of cannabis retailers in California. Our budget has realistic funds for speedy construction, and we can rely on our construction team.

We anticipate that the City will approve our Company's Commercial Cannabis Business Permit by April 2025. In our Company's experience, it takes 45 to 60 days to prepare a building permit application and 30 to 60 days for local approval of said building permit application. We will submit our approval-ready building permit application as soon as logistically and legally possible. Upon the approval of building permits, our construction team at Delta will complete site improvements from August 2025 to December 2025. Delta is a highly experienced, professional construction contractor that has executed numerous cannabis business developments.

16-Week Construction Breakdown:

Week 1 Project setup and demolition commences.
Week 2 Footings and framing are installed while underground plumbing installation begins.
Week 3 Rough HVAC & Electrical plans are submitted while framing & underground plumbing work continues.
Week 4 Framing & underground plumbing work continues. Trench pour-back, concrete work, & electrical upgrades will commence while our rough HVAC plans are submitted & our Plumbing Inspection occurs.
Week 5 Insulation and **"**HVAC Curb" installations begin in the ceiling. Electrical work continues. Parking area improvements begin with the installation of trash enclosure footings. Reinforced windows are installed.
Week 6 New Rooftop is installed. Security mesh and plywood for our vault and secured storage takes place. Roof and ceiling improvements carry on as HVAC work and insulation installation moves forward. Another round of concrete work will take place as we complete the new trash enclosure block.
Week 7 Cosmetic improvements begin, as awnings are installed and exterior paint is applied. Drywall work begins while structural work on the new trash enclosure continues.
Week 8 Steel work commences to reinforce the trash enclosure. Interior improvements begin; paint is applied, and safety equipment and fire extinguishers are installed.
Week 9 Flooring is installed. Exterior improvements move forward with the completion of (i) the parking area bicycle racks; (ii) exterior signage; and (iii) the completion of the trash enclosure roof and doors.
Week 10 Exterior signage work continues. The secured roll up door is installed at the main entrance.
Week 11 Another push begins on electrical work, plumbing, and HVAC. Our Knox Box will be installed while limited millwork takes place and interior furniture, fixture, and equipment placement begins.
Week 12 All work from last week continues and the base-case cabinet is installed.
Week 13 Signage & landscaping are completed. Cabinet work begins while equipment placement continues.
Week 14 Parking lot surfacing & improvements continue. Our work on cabinets & equipment continues.
Week 15 Our cabinets are completed. Permitting and inspections begin with water certifications and Title 24 compliance documents and inspections. Parking lot paint and improvements are completed, finalizing the transition of seven existing spaces into 8 newly painted stalls, including an ADA stall.
Week 16 Our final top-to-bottom cleaning takes place and our internal quality inspection occurs. The City building inspections take place for mechanical, electrical and plumbing upgrades.

At some point between April and December 2025, our Business License Hearing will be requested and held as soon as is allowable by the city. It will take approximately 7 days to process and approve our business license application and up to thirty days to schedule and conduct our business license hearing. December 2025 will be the final month before opening; we will begin hiring and training employees at this time.

January 2026: Catalyst Santee will commence operations. The City will issue our Company a Certificate of Occupancy and Catalyst Santee will commence operations in January 2026. We will ensure that all required licenses, permits, inspections and approvals are duly completed.

A.1.D Letter from Banking Institution

[redacted]

A.2 Daily Operations

Relevant Citations:

SMC Chapter 7.04 Cannabis Business [et. seq.]
City of Santee Code of Ordinances [et. seq.]
SB 94 "Medicinal and Adult-Use Cannabis Regulation and Safety Act" ("MAUCRSA")
California Code of Regulations ("CCR") Title 3, Division 8; Title 17, Division 1; and Title 4, Division 19
Department of Cannabis Control ("DCC") (formerly known as Title 16, Division 42)
Business & Professions Code ("B&P Code") Section 26013
4 CCR Title 4, § 15404 "Retail Customers"

Knowledge comes with experience. Our diverse and experienced management team has a clearly defined picture of both regulatory expectations and cannabis industry best practices. We possess one of the most well-equipped management teams in existence for this venture in Santee. Our Company's policies have been formed and refined in line with best practices, State laws, and local laws. Our Owners and managers have a deep understanding of the intricate logistics of successfully operating this type of niche and highly regulated business.

Our Short-Term Objectives

- Obtain City licenses, State licenses, and all required permits to launch Catalyst Santee in full regulatory compliance with the City and State, particularly the Department of Cannabis Control, the California Department of Food and Agriculture, and the California Department of Public Health.
- Empower the Catalyst brand by creating a presence within Santee.
- Maintain our following as the premier provider of cannabis products and the best source for low-priced cannabis products in Santee.
- Implement our unique grassroots multi-channel marketing plan to attract a variety of customers including local residents, individuals working in and transiting through the City, college students, and tourists.

At all times, a qualified and responsible manager will be onsite at Catalyst Santee. Our Company's Owner Damian Martin will serve as our combined Security Representative and Community Relations Liaison ("Liaison"). He will function as our "24/7" emergency contact. Mr. Martin's contact information is as follows:

Damian Martin, Community Relations Liaison
community@catalystcannabis.co
(562) 246-6052

A.2.A Guest Check in Procedures

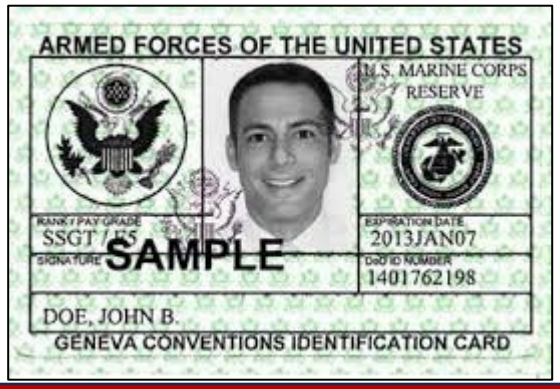
Relevant Citations:

California Health and Safety Code ("HS") Section 111362.5, 1362.7 et seq., [re. Rights of a "Patient"]
CCR Title 4, Division 19 §15000.6 [re. Age Restriction]; § 15403 "Hours of Operation"
SMC § 7.04.340(A) [re. Hours of Operation]
SMC § 7.04.360(K) [re. Hours of Operation]
SMC § 7.04.360(B),(C) [re. Age Requirements]

Our guest check in Standard Operating Procedures ("SOPs") and our ID checking protocol are based directly on the California Code of Regulations and California Health and Safety Code. All persons desiring entry to a Catalyst retailer must present valid identification ("ID") for the purpose of admission. The following list outlines acceptable forms of identification for entry.

Common Qualified Forms of Identification

1) A document issued by a federal, state, county, or municipal government, or a political subdivision or agency thereof, including (but not limited to) a valid driver's license containing the name, date of birth, height, gender, and photo of the person.
2) U.S. Military ID card issued to a member of the Armed Forces that includes the person's name, date of birth, and photo.
3) U.S. or foreign government-issued passport with photograph & date of birth.



Unacceptable Forms of Identification: • ***Fraudulent*** • ***Adulterated*** • ***Expired***

To investigate the validity of a prospective ID, Catalyst receptionists will first visually examine the ID, and then run it through the POS-integrated ID scanner. The scanner will confirm the authenticity of the ID and identify the age on file for that ID holder. *Guests 18-20 years of age will be admitted only with the provision of a valid physician's recommendation* or a Medical Marijuana ID Card ("MMIC"). Doctor's recommendations will not be provided onsite under any circumstances. Upon completing their check in, an employee will electronically unlock the door separating the main lobby from the Sales Floor and customers will be "buzzed in" for purchasing.

(i) Hours of Operation

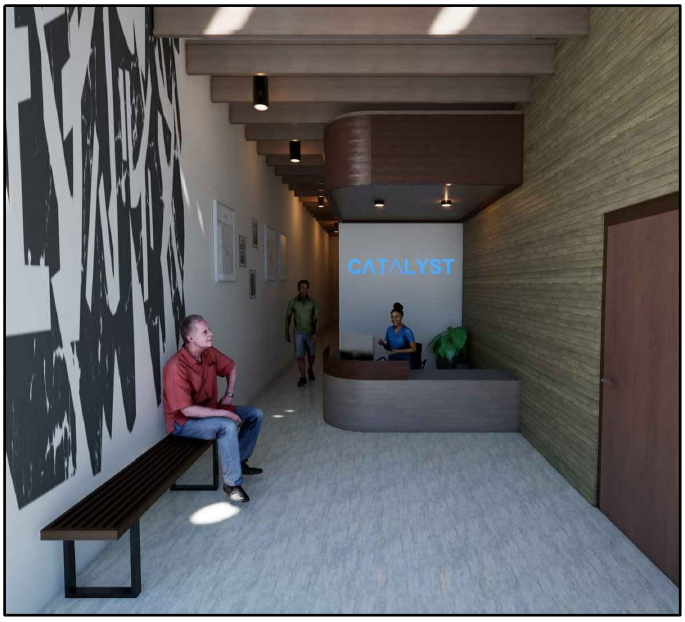
Catalyst Santee's business hours will run from 9 a.m. to 9 p.m., maximizing our allowable time to service the community. Morning-shift employees and security guards will disarm the alarm and open our storefront retailer for non-public operations at 8:30 a.m.; from 8:30 a.m. to 9:00 a.m., morning-shift employees stage cannabis products for display and sale; morning-shift employees open our storefront retailer for public operations at 9:00 a.m.; from 9:00 a.m. to 9:00 p.m., our storefront retailer is open to the public and customers may engage in the retail purchase of cannabis products; at 9:00 p.m. evening-shift employees close our storefront retailer for public operations; from 9:00 p.m. to 10:00 p.m. employees return unsold cannabis products back to secured storage; employees close our storefront retailer and arm the burglar alarm at 10:00 p.m.; and from 10:00 p.m. until 8:30 a.m., our nighttime security guard will secure the premises and monitor the camera feeds.

(ii) Separation of Floor Areas by Type

Having designed over 30 cannabis retailers, our team is well versed in the best practices of site planning. The rooms at our proposed premises shall be separated by their types of usage. **The organization of our different**

types of spaces is meant to facilitate ease of passage, bolster security, and to make the customer experience intuitive thereby ensuring a stress-free shopping experience. [redacted]

To achieve our collective site goals:



- Our premises will be designed and constructed in strict accordance with the mandates of the CCR, CA H&S, and the CA B&P
- The customer lobby (shown at right) will logically be immediately inside the entryway, as checking ID is required to be inside of our premises.
- The check-in area for screening customers will be adjacent to the lobby, to decrease unauthorized foot traffic on the premises.
- The sales area will be immediately adjacent to the check-in area to reduce unnecessary traversing of the premises by customers.
- Our ATM will be placed inside the Sales Floor such that (i) only individuals that have provided their ID and passed through security check may access it, and (ii) no one may exit the ATM area without again re-passing through the front door security station.
- Grab and go inventory storage will be adjacent to the sales transaction areas such that inventory stocking can be easily facilitated during sales transactions, [redacted]
- **Limited Access Areas will be separated from public areas by commercial grade doors and utilize controlled access devices** to deter unauthorized entry.

A.2.B Inventory Procedures - Our Inventory Storage & Transportation Plan

Relevant Citations:
CCR Title 4, Division 19 § 15422 Receiving Shipments of Inventory, § 15000.6
SMC § 7.04.320(C) [re. Storage and Transportation Plan]

Foundational Knowledge: Our Point-of-Sale System ("TREEZ") works with Marijuana Enforcement Tracking Reporting Compliance ("METRC") software to preserve seed-to-sale tracking compliance.

METRC is California's government-mandated track-and-trace software. It is a cloud-based software system that is used by all California cannabis licensees to document our supply chain movements.

TREEZ is a high-powered cloud-based point of sale system utilized at all Catalyst retailers. TREEZ software utilizes hardware devices such as cash drawers and receipt printers. TREEZ was designed for the cannabis industry. It provides supply chain transparency to the DCC through interacting with METRC.

METRC software works with TREEZ to complete the seed-to-sale tracking chain of custody; ultimately, METRC is the conduit through which our inventory data is shared with the Department of Cannabis Control. As a point of law, only manufacturers and distributors with licenses in good standing (and therefore in presumable operational compliance) may access METRC. **TREEZ only accepts cannabis inventory through METRC, therefore TREEZ ensures that only licensed cannabis products can be sold at Catalyst retailers**. There is no other pathway

to sell cannabis products through TREEZ software other than vetting them through the METRC backend.

[redacted]

[redacted]

[redacted]

[redacted]

(i) State Testing Regulations

Relevant Citations:

Section 26110 of the B&P Code [re. Certificate of Analysis ("COA")]
CCR Title 4, Division 19 §15724 Cannabinoid Testing
CCR Title 4, Division 19 §15726 Certificate of Analysis

We take the burden of ensuring that products are properly tested seriously, as state laboratory testing represents the barrier between our customers and unsafe products. Our SOPs contain various training sections pertaining to laboratory analysis, and how to properly interpret a standard Certificate of Analysis. The COA is in essence the "receipt" given by the testing laboratory that shows a product is safe for consumption. Understanding these COAs, particularly their mathematical aspects, is key to ensuring that that *each product sold at Catalyst is properly tested by a laboratory* and that all our products are in compliance with state *testing regulations.*

To promote safety, our staff are trained on laboratory testing requirements such as (i) Verifying the COA's completion; (ii) Verifying the COA's calculations; (iii) Knowing how to link a COA document to a specific product; (iii) Allowable variance of laboratory testing results; (iv) Packaging and Labeling Requirements; and (v) Verifying the accuracy of cannabinoid content on a packaged item using its COA.

CannaSafe

CannaSafe - LA
7027 Hayvenhurst Ave.
Van Nuys, CA 91406

(818) 922-2416
https://www.csalabs.com
Lic# C8-0000040-LIC

R&D Testing

P&B National, Releaf Body Lotion Packets

Sample ID: 2005CSALA6429.1579
Matrix: Topical
Type: Lotion
Sample Size: 12 units
Batch Size:
Batch#: C0054

Strain: Releaf Body Lotion
Produced: N/A
Collected: 05/07/2020
Received: 05/07/2020
Completed: 05/14/2020

Client
P&B Essentials, LLC
Lic. #
1190 N Lake Ave
Pasadena, CA 91104

Summary — Pass

14.30 mg/ml Total Cannabinoids	Pass Pesticides	Pass Residual Solvents
Pass Microbials	Pass Mycotoxins	Pass Heavy Metals

Cannabinoids — Pass

Testing method: HPLC-SOP 101

Analyte	LOD	LOQ	Results	Results
	mg/g	mg/g	mg/ml	%
CBD	0.0059	0.018	12.72	1.27
CBC	0.0009	0.0027	0.63	0.06
Δ9-THC	0.0038	0.0115	0.46	0.05
CBDa	0.0012	0.0037	0.37	0.04
CBG	0.0047	0.0143	0.12	0.01
CBDV	0.0042	0.0126	ND	ND
CBGa	0.0016	0.005	ND	ND
CBN	0.0014	0.0041	ND	ND
THCa	0.002	0.006	ND	ND
THCV	0.0036	0.0111	ND	ND
Δ8-THC	0.0038	0.0115	ND	ND
Total			14.30	1.43

Terpenes — Complete

Testing method: HS-GC-FID – SOP 201

Analyte	LOD	LOQ	Results	Results
	%	%	%	mg/g
δ-Limonene	0.00016	0.0013	0.05	0.53
Linalool	0.00015	0.0013	0.03	0.25
β-Myrcene	0.00012	0.0013	0.02	0.16
β-Caryophyllene	0.00017	0.0013	0.01	0.12
Camphene	0.00072	0.0013	ND	ND
Caryophyllene Oxide	0.00017	0.0013	ND	ND
Eucalyptol	0.00017	0.0013	ND	ND
Geraniol	0.00013	0.0013	ND	ND
Guaiol	0.00018	0.0013	ND	ND
Isopulegol	0.00011	0.0013	ND	ND
Ocimene	0.00013	0.0013	ND	ND
p-Cymene	0.0001	0.0013	ND	ND

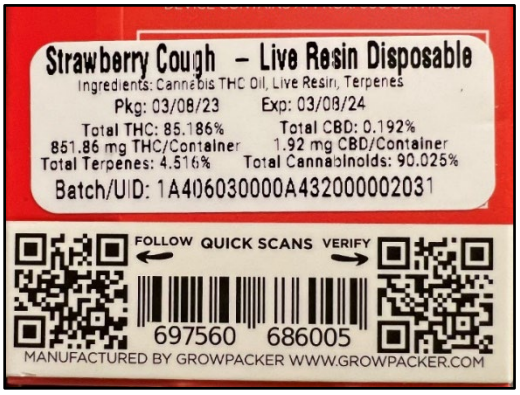
(ii) Packaging/ Labeling & Quality Control Standards

As retailers, we are the last line of defense preventing non-compliant cannabis goods from reaching our customer's hands, therefore only products that are packaged and labeled to Catalyst's standards may be sold at our stores. California state labeling requirements are highly detailed and frequently updated. Our staff members undergo regular training regarding packaging and labeling requirements. The following list shows the regulatory requirements our staff is trained to understand and comply with. It is very difficult for an average person to digest the statutory language in these regulations; we have discovered in our existing operations that peer-to-peer training and guidance is the key to successfully absorbing these complex requirements.

- *Section 26110 of the B&P Code [re. Quality Assurance]*
- *CCR Title 4, Division 19 §17407 Cannabinoid Content Labeling*
- *CCR Title 4, Division 19, Chapter 11. Labeling and Packaging Requirements*
- *CCR Title 4, Division 19 §17410 Universal Symbol*
- *CCR Title 4, Division 19 §17304 THC Concentration Limits*
- *CCR Title 27, § 25600.2 [re. Proposition 65 Warning]*
- *21 Code of Federal Regulations ("CFR") Section 101.22 [re. Flavorings]*
- *21 CFR Chapter 1, Food and Drug Administration ("FDA") Department of Health and Human Services*

These regulations cover a wide range of regulatory topics related to packaging and labeling of cannabis products, such as labeling placement, appropriate font sizes, packaging opacity, government warning messages, the universal cannabis product symbol, required/prohibited language, acceptable childproofing, dosage recommendations, legal limits on expiration dates, allergen warnings, required manufacturer information, and required laboratory testing information. To inform customers of our product's compliance, each product along with a link to its COA information will be found on our website.

One of the most important concepts to remember when reviewing cannabis product packaging is that cannabis products must not be attractive to children. While this is a highly subjective requirement, we ask staff to share their thoughts and feelings in good faith as their unique viewpoint is essential to providing us with a full picture of how these images may be interpreted by our customers. Shown below are examples of a cannabis packaging label, the universal cannabis product warning symbol, and a general warning label, respectively.



GOVERNMENT WARNING: THIS PACKAGE CONTAINS CANNABIS, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. CANNABIS PRODUCTS MAY ONLY BE POSSESSED OR CONSUMED BY PERSON 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT. THE INTOXICATING EFFECTS OF CANNABIS PRODUCTS MAY BE DELAYED UP TO TWO HOURS. CANNABIS USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF CANNABIS PRODUCTS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY.
PLEASE USE EXTREME CAUTION.

(iii) Recalls & Remediation of Cannabis Products

Relevant Citations:

CCR Title 4, Division 19 § 17225 Product Complaints, § 17226 Voluntary Recalls, § 17227 Mandatory Recalls

The regulations and inherent requirements of cannabis product remediation are detailed and technical but knowing how to efficiently handle remediation is a crucial responsibility of a conscientious cannabis retailer. Our Company shall recall any cannabis products if (i) the manufacture, distribution, or sale of the cannabis product creates or poses an immediate and serious threat to human life or health; or (ii) the products have been

misbranded or adulterated; or (iii) the products have exceeded their prescribed expiration or "sell by" date, or (iv) if the products do not meet the legal requirements set forth by the State for consumption.

In the event of a recall the onsite manager shall coordinate the recall activities and be the point of contact for the of Department of Cannabis Control and any other relevant regulatory or law enforcement authorities. In the event of a being *notified* of a product recall, the onsite manager will confirm whether any of the cannabis product is in stock or has been sold to a customer. **Our Company has a failsafe system in place to notify the public in the event of a recall via direct email and onsite postings**. Once a recall has been initiated, the onsite manager shall engage our internal failsafe system automatically sending email notifications to affected purchasers; our staff will duly quarantine the affected products in the Secured Storage Vault until a decision is made on whether the manufacturer or distributor of origin wants our Company to destroy the product or return it. The onsite manager will ensure that quantities of the recalled lot(s) of products are reconciled in the Point-of-Sale system and METRC. Any recalled cannabis products that are not picked up by the manufacturer or distributor of origin will be destroyed in accordance with our Waste Management Plan.

(iv) Stock Room Operations - Inventory & Quality Control

[redacted]

[redacted]

A.2.C Point of Sale System - TREEZ

Relevant Citations:
CCR Title 4, Division 19 §§15047.1-15052 Track and Trace
CCR Title 4, Division 19 §15409 Daily Limits

Catalyst Santee will utilize the TREEZ point-of-sale and inventory tracking system. TREEZ is a high-powered cloud-based point of sale system that was designed specifically for the regulated cannabis industry. TREEZ is currently in use at all 28 Catalyst retailers; it is the most advanced cannabis-based POS system on the California market. TREEZ can facilitate *multi-facility* inventory tracking, inventory audits, METRC reporting, customer file tracking, and powering our live online menu.

How does an API work?

(1) Let's start by understanding more about the language we're using. An API is a special type of computer coding. APIs enable different software systems (like TREEZ and METRC) to communicate with each other.

(2) The API that TREEZ uses makes our inventory data *automatically populate* in our METRC account, acting as a doorway between METRC & our onsite inventory files.

(3) As a result, METRC officials have unrestricted *real time* access to our inventory data.

TREEZ was designed with seed-to-sale tracking in mind. TREEZ has the capability to produce historical transactional data for review, parsing data down to the minutest details of each transaction. TREEZ associates every product sold with a specific transaction, a responsible staff member, and a particular register terminal. We commonly cross reference TREEZ data with our surveillance recordings; our cameras are positioned to optimally capture inventory-related activities.

API technology enables TREEZ to give METRC a concise and live-to-the-second view of our Company's on-hand cannabis and cannabis product inventory. Our point-of-sale system possesses an impressive number of integrations with other popular software systems such as Weedmaps, iheartJane and more. TREEZ APIs work reliably and smoothly; this provides Catalyst retailers with optimized transportation and supply chain transparency. TREEZ tracks the following upon a sale:

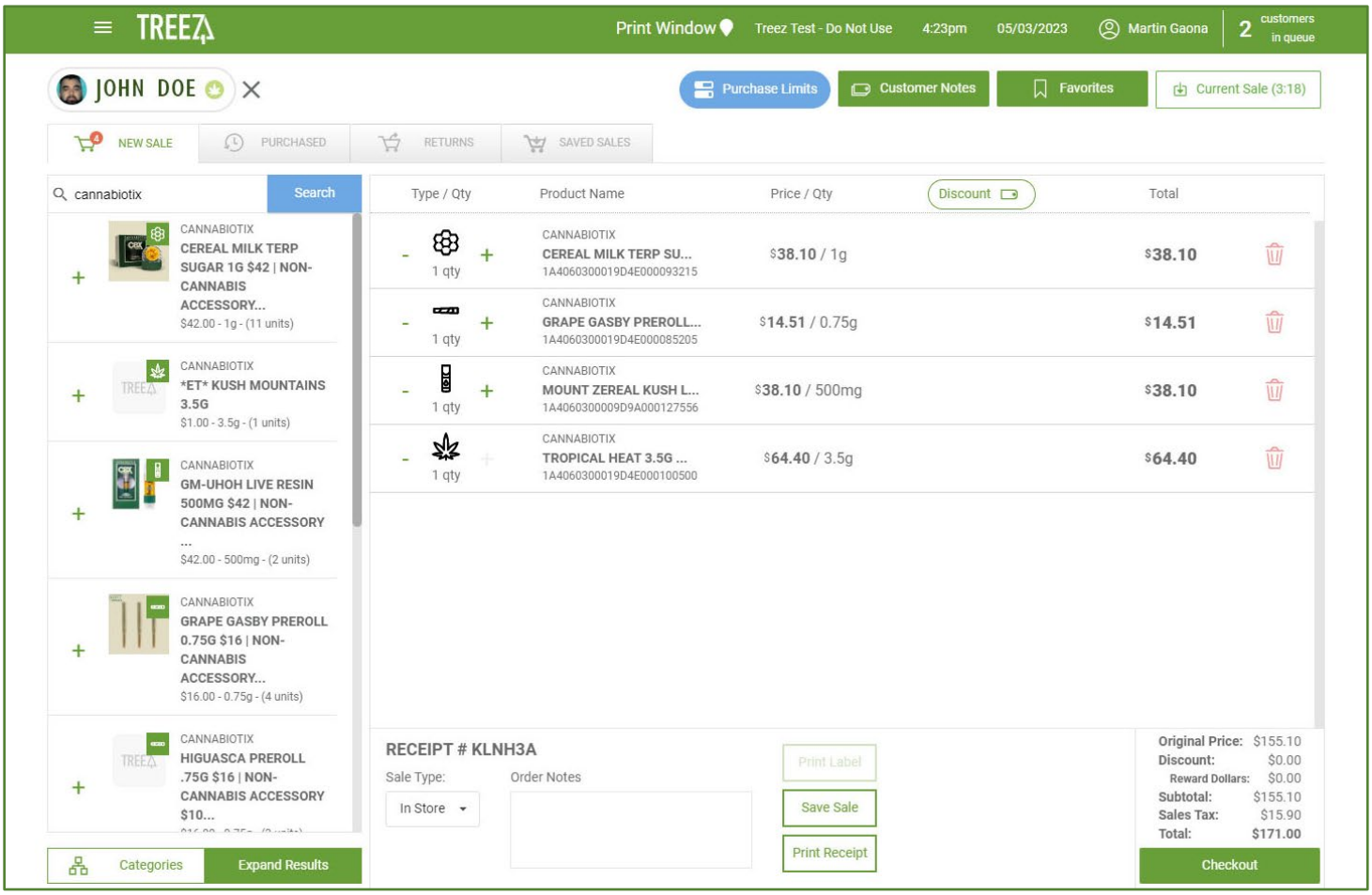
- ✓ Employee's name and their employee number
- ✓ A list of products purchased including quantity
- ✓ Individual prices paid for each product
- ✓ Date and time of sale
- ✓ Total amount of sale
- ✓ Any amounts paid for all taxes
- ✓ The METRC Unique Identifier associated with the cannabis and cannabis products.

(i) Taking Orders

At capacity, there will be five cashier terminals functioning. An ample provision of cashiers ensures a smooth flow of pedestrian traffic in and out of the premises.

[redacted]

TREEZ is designed to be user friendly and intuitive. To conduct a basic sales transaction, staff will utilize the home screen, which is shown on the following page. From this starting point, staff can easily and intuitively access the menu or customer information tabs.



Shown above is the TREEZ order taking screen, which staff can easily and intuitively navigate for quick and easy guest processing.

(ii) Our Website - How Guests Interact with Our POS System

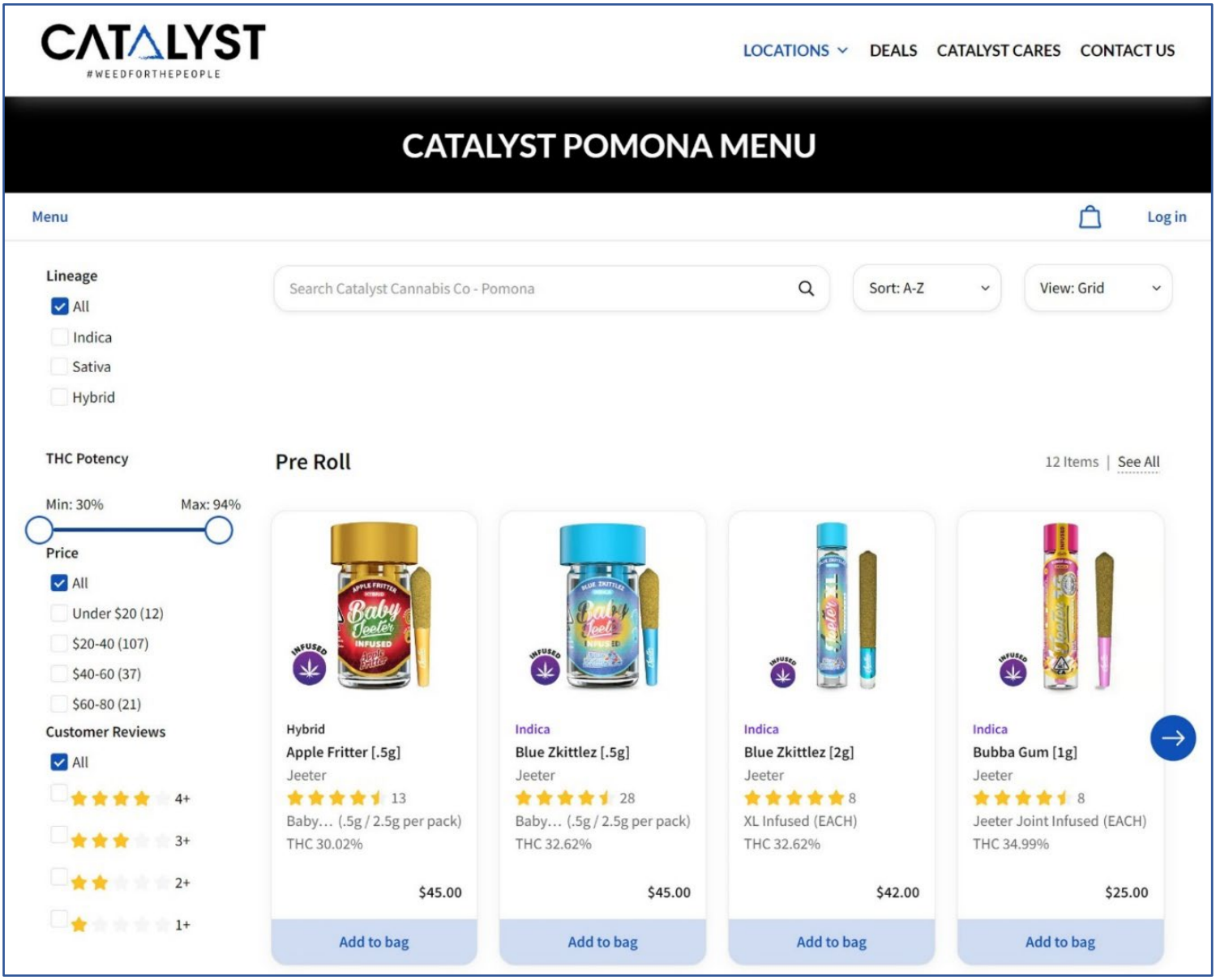
Relevant Citations:

CCR Title 4, Division 19 §15040(a) Advertising Placement and Prohibitions

Our website is the face of our company online, and it is an invaluable tool for communicating to the modern cannabis customer base. **We regard it as the cornerstone of our sales and educational movements.** On the back end, our website incorporates many of our Company's technological tools & protocols. Our website is the home of our online product menu, where prospective customers can learn about our brands and products. TREEZ provides an excellent online ordering system that is free to access; TREEZ has a strong reputation in the cannabis industry for reliability and price accuracy. TREEZ connects customers with retailers with a "Google Map" like search engine and provides them with access to a database of user reviews where brands, products, and retailers can be easily researched.

Our website will contain a messaging portal that will enable our customers and community members to contact us regarding quality concerns, nuisance mitigation, and other important time-sensitive matters. Upon visiting our website's main landing page, guests will see a clearly labeled chat feature on the lower right-hand side of the screen. Our Community & Security Liaison's hotline information will also be prevalently displayed on our homepage for those that prefer alternate means of communication.

www.catalyst-cannabis.com



Our website features…

- ✓ ***Age Verification*** *to restrict access to those over 21 years of age.*
- ✓ ***A helpful resource page*** *containing an FAQ and other educational tools.*
- ✓ ***Live-updating inventory quantities*** *that help avoid disappointing product shortages.*
- ✓ ***A user-friendly layout*** *that makes people feel at ease & excited about cannabis.*
- ✓ ***Bright, engaging imagery*** *accompanied by informative product descriptions.*
- ✓ ***An excellent mobile phone interface*** *for onsite guests.*

Our detailed and informative Product Menu provides laboratory test results, dietary information, prices, reviews, and potency information. The online menu has an interactive filtration feature enabling users to filter menu products by their desired type, price range, potency range, and many other criteria.

To initiate an online pickup order, guests will scroll or search the menu for the items of their choice. Catalyst menus are bright and welcoming, like our stores. Once guests have chosen a product to order, they will make use of a standard "Add to Bag" button-style icon below the item. Items may be freely added to the shopping cart as long as State purchase limits are not exceeded; were a user to attempt to purchase items exceeding the maximum daily legal allowable limits, TREEZ would automatically limit the transaction to an amount in compliance with State law.

Once the customer has finished adding the desired items into their digital shopping cart, they will view their final tax-inclusive total and have the option of selecting a desired pickup time. The order will be transmitted electronically to the in-house POS network and a digital order ticket will be generated. The customer will receive a text or email prompt when their order has been packaged and is ready for pickup; unless otherwise scheduled, a pickup order generally takes 10-20 minutes for fulfillment.

(iii) Audits

Relevant Citations:

CCR Title 4 Division 19 § 15051 Track & Trace System Reconciliation; § 15424 Inventory Reconciliation
CCR Title 4 § 17800 Right of Access

To verify and ensure that our Company's physical inventory matches our Company's records pertaining to inventory, Catalyst Santee shall perform a full count of its cash and cannabis inventory at least once every 30 days. An audit is a team effort at Catalyst. South Cord has specialized staff for audits to ensure that accuracy is preserved throughout the chain of custody. Our auditing team assesses the entire Catalyst army of retailers at least once a month. They are continuously refining and honing their organizational strategies. **As an industry best practice, specially trained employees conduct inventory audits.** The Catalyst auditing team is deeply connected with (i) which brands we carry; (ii) what is considered a "normal" amount vs. an excessive amount of a given product type; (iii) packaging and labeling requirements; (iv) Catalyst's quality control expectations; and (v) DCC's seed-to-sale tracking requirements. When conducting an audit, there is a great deal of detail to be verified for each cannabis product. Auditors carefully review batch's information as they perform counts. If a significant discrepancy is discovered between our Company's physical inventory and our Company's inventory records, our Company shall proceed pursuant to our inventory reconciliation protocol.

While auditing, all discrepancies will be accounted for in TREEZ by way of assigning an alphanumeric code designating the reason for the adjustment that was made (for example, "missing unit" or "damaged unit"). **As an industry best practice, we utilize user "permissions" in TREEZ and METRC to limit which staff members have clearance to perform inventory adjustments.** Our staff's METRC access will be controlled by our Company's designated track and trace administrator, or "METRC Administrator." The METRC Administrator will authorize staff members to obtain accounts for both METRC and TREEZ and will establish the level of clearance

that each person has within METRC and TREEZ to access records. **As another industry best practice, we will maintain a complete and up-to-date list of all authorized system personnel.** *Inventory reconciliations shall be made available to the City or the State upon request; all significant discrepancies will be reported to state authorities within 24 hours.* Read on to learn more about our other recordkeeping standards.

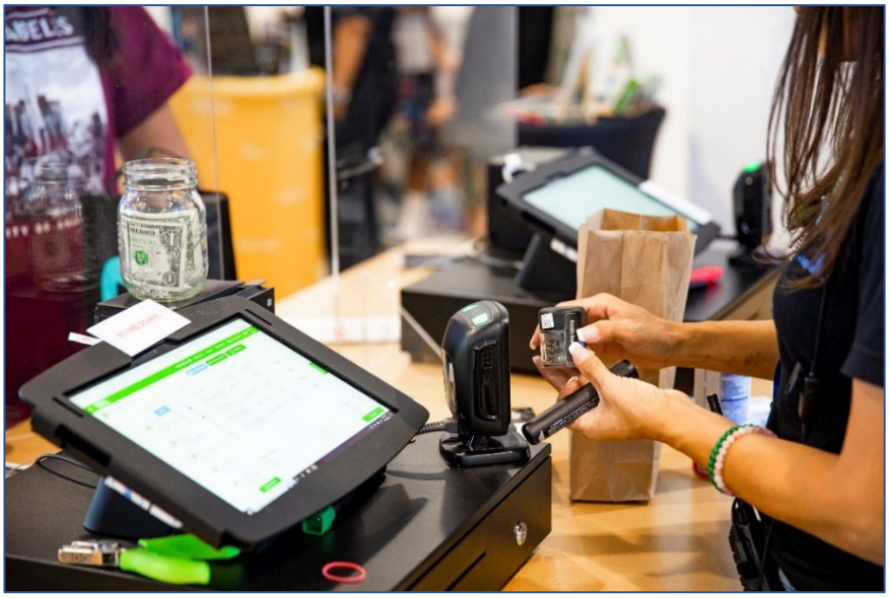
(iv) Recordkeeping - Products

Relevant Citations:

CCR Title 4, Division 19 §15037 General Record Retention Requirements, §15423 Inventory Documentation
SMC § 7.04.310. Records and Recordkeeping
Health Insurance Portability and Accountability Act ("HIPAA")
CCR Title 4, Division 19 §§15047.1-15052 Track and Trace
CCR Title 4, Division 19 §15037 General Record Retention Requirements, §15423 Inventory Documentation
Health Insurance Portability and Accountability Act ("HIPAA")

Catalyst Santee will benefit from highly refined recordkeeping SOPs that are intrinsically enhanced by years of knowledge of industry best practices. TREEZ & METRC will jointly monitor our product records, monitoring product quantities and types of products. **Cannabis product orders will automatically populate into the TREEZ backend** upon input to METRC by the receiving manager. METRC will document the source of the cannabis products, and this information will be transmitted into TREEZ for easy access by lower-clearance staff members.

Record keeping will be conducted in rigorous compliance with local and state law. To ensure strict accuracy of our records, we will implement numerous policies regarding METRC and TREEZ recordkeeping. During day-to-day operations, our staff shall accurately and meticulously record all transactions involving the purchase, sale, physical movement, or destruction of cannabis products in the track and trace system. Our records will be reviewed regularly to ensure their accuracy. All record maintenance and sharing will be done in strict accordance with local law, state law, and federal HIPPA regulations.



We utilize the most advanced software package offered by the TREEZ company, "TREEZ V55.0.0", enabling us to (i) gather inventory tracking data from all 28 of our retailers (ii) retain our data storage for periods exceeding the legally required industry standard of 7 years; and (iii) compare inventory data across the company to seek out trends in shortages, inaccuracies, and aging inventory.

TREEZ has the capability to produce real-time data and generate financial statements, enabling us to produce extremely accurate financial projections like those in the preceding section. TREEZ users can track products via the following categories: (i) Distributor name; (ii) Price; (iii) Product type (flower, concentrate, edibles, tinctures, etc.); (iv) Area where cannabis product is located (Sales Floor, Secure Storage, etc.); (v) Date of entry into system; and (vi) Product name, weight, and count. *We will provide a unique user login for TREEZ to the City to access our inventory at any time in real time*.

Whenever possible, our records will be maintained in both hard copy and electronic format. Records will detail all our revenues, expenses, assets, and liabilities inclusive of both cannabis and non-cannabis inventory items. Our records will be electronically backed up to our Microsoft-powered secured cloud storage. Our hard copy records will be stored in an area protected from debris, moisture, contamination, hazardous waste, and theft. Hard copies of records and METRC tags will be stored in the "Office" in fire-proof filing cabinets, where they will be monitored continuously by surveillance cameras. Records related to the receipt and acceptance of non-cannabis products shall be maintained for at least seven years.

[redacted]

(vi) Recordkeeping - Human Resources

In addition to tracking financial and inventory data, TREEZ also generates employee files which store personal information and provides staff members with a portal to personalized training materials. Other Human Resources records are maintained using a bi-layered system composed of "**TimeCo**" software (which focuses primarily on pay records, timecards, and benefits) and "**VensureHR**" software (which focuses largely on contract files, background checks, staff IDs, and disciplinary actions).

(vii) Recordkeeping - Financial Records and Statements

As compliant cannabis operators, there are several types of financial statements that we regularly produce. Using **TREEZ ANALYTICS** software, we can produce in depth company-wide financial data. On an annual basis we shall perform an internal audit and file a sworn statement detailing our revenue and number of sales during the previous twelve-month period. The statement shall include monthly gross revenues and all applicable taxes (paid or due to be paid) and will satisfy the requirements of SMC §7.04.310 Records & Recordkeeping. We shall also submit to the City an annual financial audit *conducted by an independent certified public accountant*.

Prompt access to our records will be provided to the City. Any data requested by the City (such as books, records, accounts, and any/all relevant data or documents) will be remitted within twenty-four hours of receiving the request. For convenience, we will submit the requested data in either hard copy or electronic format, per the preference of the requesting body.

A.2.D Anticipated Customer Volumes

Our business hours will run from 9 a.m. to 9 p.m., maximizing our allowable time to service the community.

- **A.M. Demographics:** In-house analytics have revealed that not only do customers desire access to early morning shopping, but also that certain product types sell better during the morning hours. For example, pre-rolled joint sales are high at the beginning of the day, as they offer the convenience of being low cost and well suited to a solitary user experience.
- **P.M. Demographics:** It is common knowledge that cannabis is often used as an accentuation to social activities. As many individuals work during the daytime hours, the evening sees a steep increase in customer traffic, particularly in edible and disposable vaporizer purchasers. "Grab and go" products are shareable and directly consumable without the aid of smoking accessories.

One of the many advantages we hold as successful retailers is access to real-life cannabis industry data. Using information from Catalyst's Pomona retail location, which will be similar in size and capacity to Catalyst Santee's proposed retailer, we project assisting *an average* of 117 customers per hour, and **1,412 customers daily**. Accounting for seasonal fluctuations, we project to conduct 515,412 customer transactions annually, while

garnering approximately 55K new customers annually, leading up to a stabilization point at which our new customer count will decrease based on our successful customer retention.

(i) Peak Sales Hours / Labor Preparation

Knowing our projected sales and peak customer volumes allows us to staff appropriately and to schedule logistical activities (such as audits, incoming vendor deliveries, and employee meetings) without affecting the flow of business. *According to internally sourced data, our peak sales hours will be as follows:*

- Monday and Tuesday; 2 p.m. to 8 p.m.
- Wednesday - Friday; 3 p.m. to 9 p.m.
- Saturday and Sunday; 2 p.m. to 9 p.m.

As an industry best practice, we have staffing contingency plans for potentially disruptive activities (like order shipments, deliveries, site maintenance and other operational contingencies) such as having on-call staff and cross-trained management.

(ii) Forms of Payment

Catalyst Santee will accept cash and cashless ATM forms of payment. According to internal research spanning our 29 licensees, cannabis retailers that provide an option of cashless payments earn on average 30% higher sales; 60% of which are conducted via the cashless payment option and 40% are conducted in cash. We expect Catalyst Santee to reflect a similar division of cash and non-cash sales. The establishment of our cashless ATM merchant account will be a smooth process based on our status as an existing merchant account holder. As such, our service fees will be consistently lower than most of our competitors. While many retailers struggle to provide service to debit or credit card users, that will not be a problem at Catalyst Santee.

A.2.E Proposed Product Line

Relevant Citations:
CCR Title 4, Division 19 § 15307 Quality-Assurance Review
CCR Title 4, Division 19 § 15422 Receiving Shipments of Inventory

Having the right brand partners is critical to running a successful business in the highly competitive cannabis industry. We utilize both socioeconomic screening factors and sales driven data to select the brand partners that reflect and serve our goals in the cannabis industry. Brand partners that we proudly support include:

Flower	Flower (Cont'd)	Vape	Extract	Edibles & Topicals
Alien Labs	Teds Budz	Jeeter	Friendly Farms	Doc Norm's
Mojave Cannabis Co.	Waferz	Raw Garden	Raw Garden	Kiva
THC Design	Joshwax	Alien Labs	710 Labs	Highatus
Traditional	Fig Farms	Stiiizy	HIMALAYA	Buddies
Runway Gardens	LA Family Farms	Rove	Papa's Select	St. Ides
Ember Valley	Autumn Brands	Papa's Herb	Bear Labs	Space Gem
BLEM	Fresh Baked	Coldfire Extracts	Paper Planes Extracts	Wyld
Connected Cannabis Co.	UpNorth	PLUGplay	CES	Level
Top Shelf Cultivation	Jeeter	Gelato	Dablogic	Froot
Coastal Sun	Kingroll	Turn	Hash Assassins	Pabst
Farmer and the Felon	Frenchies	lolo	Punch Extracts	Mari i Juana
Pearl Pharma	Maven	Buddies Brand	King's Garden	Alien Labs
Ball Family Farms	Astronauts	HIMALAYA	Cannabiotix	Space Gem
Preferred Gardens	Raw Garden	Left Coast	Stiiizy	OM
King's Delight	Presidential	Stay Puft	Cali Blaise	Papa & Barkley

We estimate the percentages of sales of flower & manufactured products to be as shown. As a point of reference, flower products are shown in green, and manufactured products are shown in blue.

Product Type	Product Type Description
Beverages 1%	Consumable beverages infused with THC and other cannabinoids
Cartridges 36%	Cartridges or pods filled with oil derived from cannabis flower; cartridges are typically plugged into a battery or other electronic device for use
Edibles 6%	Consumable beverages infused with THC and other cannabinoids
Extracts 8%	Concentrated cannabinoids extracted in various methods from harvest cannabis plants
Flower 35%	Harvested flower from cannabis plants
Merch <1%	Catalyst branded non-cannabis merchandise like shirts, hats, & hoodies
Pills <1%	Gel capsules or tablets infused with cannabinoids
Prerolls 12%	Harvested flower from cannabis plants rolled in paper or other plant material in the form of a cigarette for smoking; often infused with cannabis extract
Tinctures <1%	Edible concentrated cannabis oils, dissolved in an edible solvent such as ethanol
Topicals <1%	Balms, lotions, and patches infused with THC and other cannabinoids

A.2.F Compliance with Local & State Law per *SMC Section 7.04.360*

Our Cannabis Business will stringently conform to all local and state laws. The following subsection outlines our general compliance with Santee Municipal Code Section 7.04.360. Our compliance with state laws and MAUCRSA is integrated deeply into the Catalyst retail chain's SOPs. State legal compliance is represented throughout this application, particularly in sections A.2.A Guest Check In, A.2.B Inventory Procedures, A.2.C Point of Sale System, A.2.G Diversion Prevention, and within the Section C Security Plan.

7.04.360(A) Our Company understands and acknowledges that no more than the number of cannabis retailers adopted by City Council resolution may operate within the City at any one time.

7.04.360(B)(C)(H) We will verify the age of each visitor *upon each visit* by requiring the potential visitor to show their valid government-issued ID. For individuals that may qualify as medicinal cannabis patients, we will view and verify the validity of their doctor's recommendation prior to allowing them entry, pursuant to Health and Safety Code Section 11362.71 *We will only admit individuals over 21 years of age, and persons with a valid/verified Doctor's recommendation that are at least 18 years of age*. Doctor's recommendations will not be obtained or provided at the premises.

7.04.360(D)(L) Storefront security measures shall be implemented and maintained in full accordance with SMC Section 7.04.320, Security Measures, and Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code. Uniformed Bureau of Security and Investigative Services ("BSIS") licensed security personnel shall be employed to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities. Security staff shall be at least 21 years of age and shall carry firearms with the approval of the BSIS.

7.04.360(E) Within the retail sales area, Catalyst Santee will only have a quantity of cannabis products to meet our daily demand. The additional product will be stored in a secured, locked limited access area.

7.04.360(F) Our restrooms will be kept locked and under the control of a manager or staff member.

7.04.360(G) Prohibition of Unauthorized Forms of Cannabis Sales: all cannabis sales at Catalyst Santee will be conducted in our main sales area. Our proposed site does not utilize a drive-in, drive-thru, pass through window, or any other prohibited means of accessing our products. All areas where cash is handled or cannabis is sold are covered by security cameras such that the facial features of persons in those areas can be accurately recorded. All cannabis products sold at Catalyst Santee shall be sold in child-resistant packaging.

7.04.360(H)(I) Access to the Retail Premises shall be limited to individuals that are either (i) twenty-one years of age; or (ii) individuals who are at least 18 years of age, in possession of a valid physician's recommendation,

and are onsite for the purpose of purchasing medicinal cannabis. Medicinal cannabis will be sold in full accordance with California State Law to individuals between eighteen and twenty-one years of age; medicinal cannabis sales to individuals 21 years of age and older shall be unrestricted.

7.04.360(J) We will establish "Limited Access Areas" with controlled entry and exit points, in which we will maintain fully secured inventory areas. We will prohibit non-employees' entry to these areas. Limited Access Areas will only be accessible to staff members and to pre-screened individuals conducting approved business at Catalyst Santee. We will maintain a log identifying all non-employee entrants into our Limited Access Areas, and these non-employees will be always escorted by an employee. Limited Access Areas are marked in our Plan Set, for your convenience. All employees of Catalyst Santee and all persons granted access to the limited access area shall be at least 21 years of age.

7.04.360(K) Our operating hours shall not exceed the hours of 9:00 a.m. through 9:00 p.m.

(i) General Compliance with Santee Municipal Code

Signage: Signage shall be in full accordance with state and local law.

Strategic Landscaping: Our landscaping elements will not have any high hedges to deter concealment of loiterers, vandals, nuisances, and potential criminal elements. *Perimeter fencing will be supplemented to enclose the area.* Landscaping will be regularly maintained to ensure it remains aligned with our design standards and with the requirements of the City; new planting alterations will be done in ongoing compliance with the SMC.

Structural Considerations: Our facility shall utilize commercial-grade, nonresidential doors and locks. Our facility will only utilize window bars and other security measures in conformance with SMC §7.04.320(A)9. We will establish Limited Access Areas to prevent unauthorized access to cash and cannabis products. Lighting, vaults and other required structural considerations shall be certified by "Underwriters Laboratories LLC," in accordance with SMC and California state law. Our driveway and parking area will be brought into conformance with SMC.

Emergency Plans: Catalyst Santee's emergency access and emergency evacuation plans are in full compliance with state and local fire safety standards.

Youth Consumption Prevention Plan: We will enact community education initiatives and a Youth Consumption Prevention Plan to educate the public about the dangers of underage consumption of cannabis products.

Storage and Transportation Plan: Like all Catalyst retailers, Catalyst Santee will have a highly efficient and well executed Storage and Transportation Plan for our cannabis products. Through experience, we have numerous industry best practices utilized within our SOPs.

Security & Community Liaison: Owner Damian Martin will serve as Catalyst Santee's Community & Security Liaison. He will educate and actively engage with the community and be the direct point of contact for any concerns that may arise regarding the operation of our business. Our Liaison will shepherd our Security Plan, and our Storage and Transportation Plan, maintaining onsite copies of the current versions of these Plans and presenting them upon request to the City Manager or their designee.

Cooperation with Law Enforcement: Our Company shall cooperate with the City whenever they make a request to inspect or audit our operations or any other aspect of the Catalyst Santee. To that end, we shall notify the City Manager within twenty-four (24) hours after discovering any of the following: (i) significant discrepancies in inventory (ii) diversion, theft, loss, or criminal activity involving our Company, agents or employees; (iii) loss or unauthorized alteration of records related to cannabis products, customers, employees, or agents of our Company; or (iv) any other breach of our security.

A.2.G Inventory Tracking and Diversion Prevention

Relevant Citations:
CCR Title 4, Division 19 §§ 15047.1-15052 Track and Trace

Diversion prevention is the primary goal of our Inventory Storage & Transportation Plan. Our Owners and managers have a deep, practical understanding of cannabis regulations as they pertain to the seed to sale "chain of custody." Catalyst Santee will use TREEZ and METRC to implement inventory tracking. Our mastery of these software programs has grown as we've grown as a company. **As licensed distributors *and* one of the largest retail chains in the state, our inventory processing team has expert level knowledge of METRC's capabilities and how cannabis products move through the licensed supply chain.** As shown by our unique centralized purchasing and self-distribution purchasing models, Catalyst has turned its supply chain expertise into a profit center. Not only has our team developed "Best Practices" that capitalize on our efficiencies of scale, we also have numerous protocols in place that maximize our granular tracking efficiency. The skill level of our team can only be earned through navigating and surviving the unpredictable real-life challenges of the cannabis industry.

Self-Distribution is a Best Practice: At Catalyst, we self-distribute. This means that our manufacturers deliver to our distribution hub in Bellflower instead of to our retailers. Aside from the many financial benefits we've discussed, this model has the advantage of maximizing transportation security (through controlling personnel) and optimizing product freshness by enabling us to have granular control over (i) large vs. small deliveries; (ii) elimination of minimum cost thresholds to qualify for delivery (known as "delivery minimums"); and (iii) complying with inconvenient "case number" requirements.

METRC Best Practice: in accordance with our inside knowledge of the cannabis industry, we are systematically prepared for weather-related METRC delays. Knowing that METRC is based in Florida and that hurricane season is June through October, our existing SOPs instruct staff to set weather alerts for Florida during these months and to *pre-order METRC tags at the first hint of a hurricane tracking to Florida.*

(i) Industry Best Practices

Using our deep knowledge of cannabis industry security best practices, our Company shall implement sufficient security measures to deter and prevent theft and unauthorized entrance into areas containing cannabis products. As these concepts are integral to our Storage & Transportation Plan and to every facet of our operations, they are found throughout this application. Key topics are summarized below.

- ✓ **Common Sense Layout:** All cannabis products will be stored in a manner as to prevent diversion, theft, and loss. To that end, our vault and all other cash and cannabis storage equipment shall be burglary-resistant and fire-resistant.
- ✓ **Security Personnel 24/7:** Licensed security personnel will be onsite during all hours of operation, and will always be present after hours or as otherwise authorized by the City Manager.
- [redacted]
- ✓ **Accounting:** Our company has a great deal of experience in regulated cannabis accounting. We shall use TREEZ accounting software to provide point of sale data and audit information pertaining to cannabis inventory, cash, and other payments.
- ✓ **METRC Compliance:** Once operational, we shall promptly demonstrate our inventory tracking compliance with METRC to the City Manager or their designees.

A.2.H Waste Management Plan

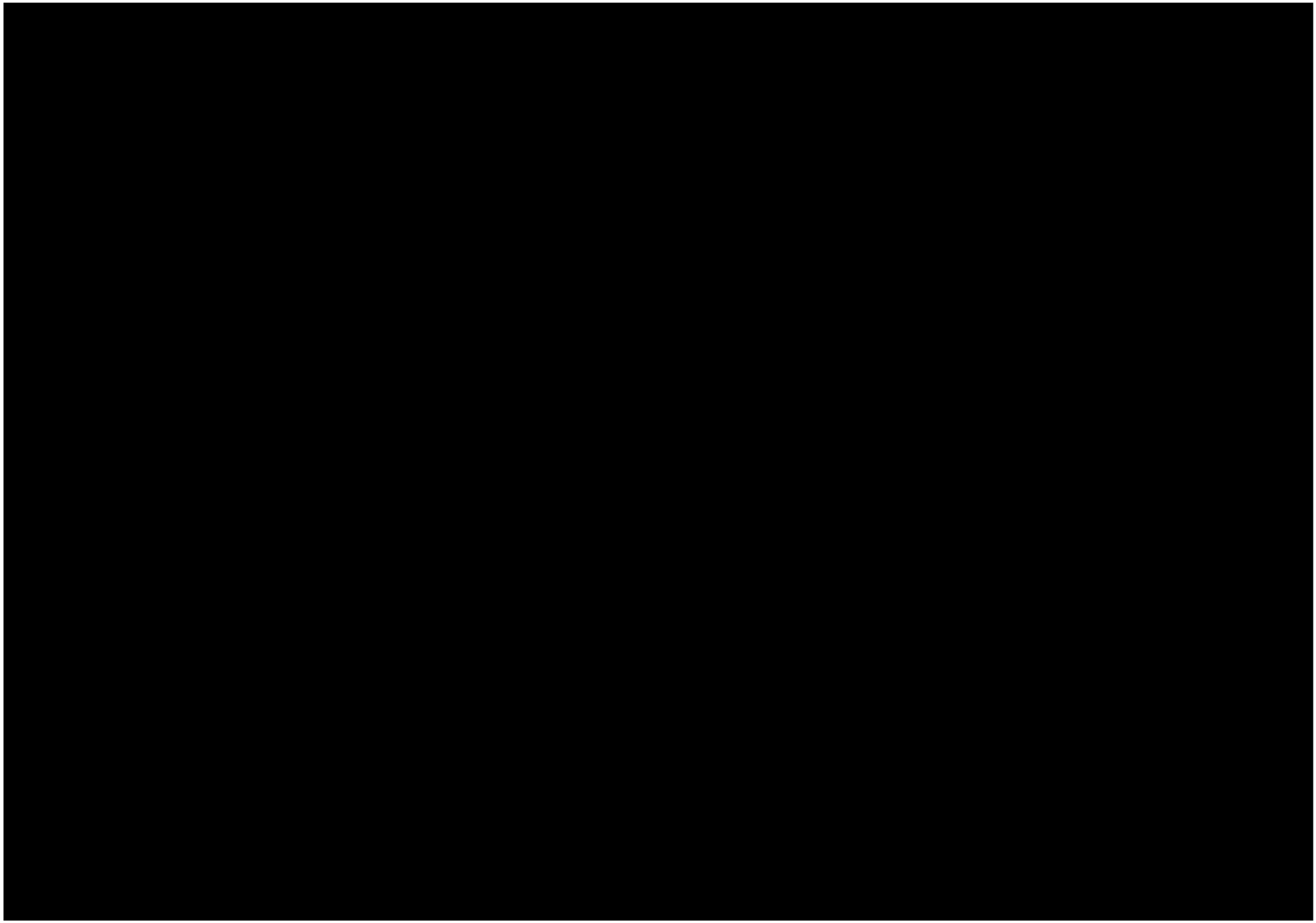
Relevant Citations:
CCR Title 4, Division 19 § 17223 Waste Management
SMC § 9.02.210 Trash and Recycling

[redacted]

Non-Cannabis Waste: Trash pickups shall occur at least twice weekly. Under no circumstances shall cannabis waste be stored in regular waste receptacles. Dumpsters and other exterior trash enclosures shall be well maintained and pleasing to the eye. All exterior trash enclosures shall be locked and secured. Our Company shall implement a recycling program to reduce trash pickups and stay aligned with our people first methodology. Please read on to our Neighborhood Compatibility Plan, where we further detail our waste control policies.

- Graffiti Removal
- Anti-Littering Measures
- Spill Events
- Waste Collection and Disposal
- Storm Water Pollution Controls
- Hazardous Material Exposure

WASTE MANAGEMENT SCHEMATIC



LABOR & EMPLOYMENT PLAN

#weedforthepeople

#catalystforchange

Welcome to the Catalyst team!

Consistent with our "Weed for the People" motto and business model, our Company has set forth a **Labor and Employment Plan** that we are confident will meet and exceed the requirements set forth by the City of Santee.

We consider our employees to be our most valuable resources and the local community to be our most important stakeholder. As such, our Company will offer employee training and continuing education to ensure our staff is knowledgeable about customer service, as well as trends and information on the cannabis products we carry. It is our intention to have a locally diverse, well-educated, and knowledgeable staff from social equity backgrounds.

Our team's structured training shall include such topics as:

- *Local & State Cannabis Regulations*
- *Science-Based Cannabinoid Training*
- *Endocannabinoid System Knowledge*
- *Industry Best Practices*
- *HR Standards*
- *Terpene & Flavonoid Knowledge*
- *Diversity: Gender Identity, Racial Equity, & Inclusivity*

We look forward to supporting the Santee community through the provision of good, union jobs and top-quality low-priced cannabis products. Catalyst Santee will affect meaningful, tangible improvement in the local quality of life.

Our Company proudly supports its workforce supporter and we are an equal opportunity employer. We are excited to invest in the Santee community.

B.1 Employees

B.1.A Number of Employees

Personnel	Hourly Rate	Benefits	Annual Pay*	2024	2025	2026	2027	2028	Total (2026)	Total (2027)	Total (2028)
LLC Manager	N/A	N/A	N/A - Owner	1	1	1	1	1	$0	$0	$0
Attorney & Liaison	N/A	N/A	N/A - Owner	1	1	1	1	1	$0	$0	$0
General Manager	N/A	$6,300	$75,000	1	1	1	1	1	$81,300	$81,300	$81,300
Asst. General Manager	N/A	$6,300	$66,560	0	0	4	5	6	$291,440	$364,300	$437,160
Team Lead	$23	$6,300	$54,301	0	0	3	5	5	$162,903	$271,505	$271,505
Front Desk	$19	$6,300	$45,953	0	0	3	4	5	$137,859	$183,812	$229,765
Sales Representatives	$18	$6,300	$43,866	0	0	35	40	45	$1,535,310	$1,754,640	$1,973,970
Total				**3**	**3**	**48**	**57**	**64**	**$2,208,812**	**$2,655,557**	**$2,993,700**

*Annual Pay includes health & retirement benefits & assumes hourly employees work 2,087 hours per year, but excludes tips

The anticipated number of staff members that will be utilized when at operational capacity is shown above.

B.2 Employee Responsibilities

Relevant Citations:
SMC § 7.04.080 Evidence of Cannabis Owners and/or Employees Background Check Required
SMC § 7.04.340(K) Annual Background Checks
SMC § 7.04.320 [re. Security Liaison Duties]

Our team is the life force of our Company. We take hiring very seriously because our team represents us in the community. To ensure our staff consistently provides top quality service, we utilize a rigorous hiring process, pre-employment background screening and meticulous training sessions**.** All employees will be required to pass a background check prior to being hired at Catalyst Santee; Owners and employees will be annually background checked to ensure their ongoing compatibility with our standards. Background checks will be performed in accordance with California state law, and the requirements of the SMC.

General Manager: Our Company's General Manager ("GM") is the day-to-day supervisor of our retailer operation and has direct authority, control, and supervision over all personnel who engage in the retail sale of cannabis products. The GM serves as a role model and resource for staff concerning products and services, policies and procedures, industry news and changes in regulations. They ensure compliance with all State and local rules and regulations, and directly supervise staff training and education. The GM manages the receipt, storage and auditing of all inventory, and is responsible for ordering supplies and maintaining records.

Assistant General Managers: Our Assistant General Managers ("AM") assist our GM with day-to-day operations in accordance with the State of California, local regulations, and the standards which are set by our Company. The AM will help maintain organization and operations with detail to inventory duties. Assistance is also given to the sales team to ensure efficiency and customer satisfaction. The AM will provide support to the store manager and all employees, and to customers in cases of sales surges.

Sales Representatives: Our sales representatives ("SR") assist guests, clients, vendors, and management. Our SR assists the management team with the activities and operations of the store, while abiding by policies, procedures, and operational guidelines. The SR promotes a work environment that is positive, customer-service oriented, and compliant. They ensure the sales floor is properly stocked and cleaned. The SR itemizes purchases by recording prices, departments, taxable and nontaxable items. They balance cash drawers by counting cash at the beginning and end of each work shift to ensure that amounts are accurate and that there is adequate change. They process payments and issue receipts and change.

Front Desk: Reception staff members be responsible for administrative oversight at the point of entry. Reception staff will check identification cards for all persons entering cannabis retailer to ensure only those over the age of 21 are let inside the cannabis sales area.

Team Lead: Team Leads assist the management team with the activities and operations of the store, while abiding by our policies, procedures, and operational guidelines. Team leads support staff from the front of the house to the back. Team Leads are trained to communicate effectively with various audiences and perform staff training sessions. They are trained to support sales flow and to provide managerial oversight.

Security Guards: [redacted]

LLC Manager: Owner and LLC Manager Elliot Lewis will be responsible for our overall operations and have direct authority, control, and supervision over all our personnel. Our LLC Manager will preside at meetings of the Members or Managers / Officers and will exercise and perform such powers and duties as provided in the Operating Agreement of our Company, or expanded by vote of the Owners / Members.

Attorney, Security Representative, & Community Liaison: Owner Damian Martin will provide legal direction on security, operations, and community benefits. Due to his expertise as a cannabis industry expert and his long history serving as a representative of Catalyst, Mr. Martin is the also the perfect fit to serve as our combined Security Representative and Community Liaison. As our Liaison, Damian Martin will serve as the direct point of contact for all concerns arising from the operation of the business. He will shepherd our Security Plan, and our Storage and Transportation Plan; maintaining accurate onsite copies and presenting them as required to the City Manager or their designee.

B.2.A Our Commitment to Paying a Fair Living Wage

Our Company is committed to providing a living wage to employees and will ensure our wages exceed the current minimum wage adopted by the State. The lowest paid employees of Catalyst Santee will make $21.01 per hour, inclusive of benefits but excluding tips. Our Company's wages are all *well above* the City of San Diego's definition of a "*living wage rate*" as "*compensation equivalent to $20.27 per hour inclusive of benefits but excluding tips*" for work performed outside the geographic boundaries of the city of San Diego. For salary ranges for each of our employee types, please see the list shown below.

Personnel	Hourly Rate	Benefits	Annual Pay*
LLC Manager	N/A	N/A	N/A - Owner
Attorney & Liaison	N/A	N/A	N/A - Owner
General Manager	N/A	$6,300	$75,000
Asst. General Manager	N/A	$6,300	$66,560
Team Lead	$20	$6,300	$54,301
Front Desk	$19	$6,300	$45,953
Sales Representatives	$18	$6,300	$43,866
**The "Annual Pay" column reflects minimum pay that includes health care and retirement benefits; assumes hourly employees work 2,087 hours per year; and excludes tips*			

B.2.B Employee Training

Through our existing operations, we have found that consistency is the lynchpin of effective training. Our SOPs serve to delineate and preserve our operational expectations. We utilize a cyclical regimen of employee training. **Training occurs (i) upon hiring; (ii) at regular monthly intervals; and (iii) on an as-needed or on-call basis.** Monthly training sessions will be two hours long, with shorter sessions scheduled in between which will run for about 30 minutes each. Training sessions will cover widely ranging topics such as regulatory requirements and employee rights. Our aim is to provide optimal guest service and to allow staff members to further themselves in the cannabis field. Through owning and operating thirty successful cannabis licensees, our team of Owners has learned the high value of training. A well-trained staff are knowledgeable and engaging. They provide the highest level of service to our respective communities.

***(1) Regulatory Knowledge Training**:* Our top priority when training our employees will be for them to understand the rules and regulations that govern cannabis retailers. To run a safe and compliant workplace, our Catalyst management is subject to an additional layer of regulatory training. This training will ensure that Catalyst Santee remains in compliance with the numerous complex regulatory requirements we will be subject to.

(2) Cannabis Knowledge Training: Our Company will train employees so they may better inform our customers on cannabis-related topics, particularly: (i) what cannabis is; (ii) the mental and physical effects of using cannabis products; (iii) the different ways cannabis is smoked and consumed; (iv) dosing guidelines; (v) the life cycle of the cannabis plant; (vi) **cannabinoids, flavonoids and terpenes and how different combinations inform the effects of cannabis products**; (viii) long term effects of cannabis use; (ix) treatments for Cannabis Use Disorder and cannabis addiction; (x) overdosing on cannabis; and (xi) how cannabis effects the brain in short-term and long-term effects.

(3) Customer Service Training: Employees will be trained in interacting with customers and giving recommendations based on their requests; giving advice, guidance, and counsel, but not giving medical advice, as they are not licensed health professionals. Customer Service training will coalesce all our many training topics, as customer interaction is the nexus of our companywide efforts to connect with our community. The *#weedforthepeople* movement starts here.

Other training topics shall include (*i) safe handling of cannabis and cannabis products, including an overview of common industry hazards and current health and safety standards; (ii) METRC, (iii) security measures and controls adopted to prevent diversion, theft, or loss of cannabis products; (iv) emergency procedures; (v) panic alarm protocol; (vi) legal requirements for remaining compliant as a licensed employee; (vii) regulatory inspection preparedness; (viii) law enforcement interaction; (ix) equal opportunity employment; and (x) HR policies.* Our Company will require employees to take regular quizzes to ensure that training has been effective.

B.3 Employee Benefits

Relevant Citations:
CCR § 100033(b) [re. CalSavers Retirement Benefits]
California Labor Code § 245.5, § 246, & § 246.5 [re. Sick Leave]
B&P Code § 26001(y) & 26051.5(a) [re. Labor Peace Agreements for Cannabis Businesses]

Consistent with our "Weed for the People" motto and business model, our Company has set forth an **Employee Benefits Plan** reflective of our high corporate standards. We consider our employees to be our most valuable resources and as such, our Company will offer a robust hiring package. Our staff will be able to count on receiving an elevated level of respect and humanity while on our team. Not only does our Company stringently observe the rights and protections of our staff, but we go well beyond that into continuing education, health and

retirement benefits. To that end, is our intention to have a locally diverse, well-educated, and knowledgeable staff from social equity backgrounds.

Cannabis retailers owned and/or operated by Elliot Lewis and Damian Martin have had active collective bargaining agreements ("CBA") with UFCW since as early as 2017. Since that time, Catalyst has entered into a global collective bargaining agreement ("Global CBA") that automatically applies to all the active, licensed cannabis storefront retailers majority owned by Elliot Lewis and Damian Martin and in fact, applies to Catalyst Santee. We believe that such a Global CBA is one of the first and few of its kind in the entire cannabis industry. Some highlights of our Global CBA include: (i) we may only staff part-time employees if it does not undermine full-time positions; (ii) our Company shall participate in the UFCW National Health and Welfare Fund for health and welfare benefits for employees and their eligible dependents; (iii) we shall participate in the UFCW 401(k) Plan and Trust for participation and for any employee that opens a ROTH IRA or IRA, we will match up to $250 per year; and (iv) employees get 8 paid holidays every year; and additionally (v) employees get 5 vacation days after 1 year, 8 vacation days after 2 years, and 10 days after 3 years.

Our first-of-its-kind Global CBA represents minimum standards that our Company will exceed in Santee… our minimum is the best in the industry!

(i) Vacation, Medical Leave, & Personal Leave of Absence

Vacation accrual begins after completing the 90-day orientation period per the schedule below:

Years of Service	*Hours Per Year*	*Hour Accrual Rate*
0 - 4	**80**	**.058**
5+	**120**	**.061**

All part-time, full-time, and temporary employees will receive sick leave as follows: **(i) Lump Sum Method:** Our Company will provide eligible employees with five days or 40 hours of paid sick time on their first day of employment with our Company that will be banked each year on the employee's anniversary date; **(ii) Accrual Method:** Employees will accrue one hour of paid sick leave for every 30 hours worked.

Leaves of Absence: Our Company's Employee Handbook grants employees leave under various circumstances, for example: (i) Time off to Vote; (ii) Bereavement; (iii) Jury Duty; (iv) Temporary Disability; (vi) Volunteer Emergency Responder Leave; (vii) Victims of Felony Crime Leave; (ix) School Leave for Disciplinary Matters; (xi) Organ Donation; (xii) Pregnancy Disability; (xiii) Military Leave; (xiv) Military Spousal Leave; (xv) School Activities Leave; (xvi) Domestic Violence / Sexual Assault Leave; and (xvii) Rehabilitation.

Extended Leaves of Absence: Our Company will attempt to hold an employee's position open for the period of leave if such a period is six weeks or less. If leave is greater than six weeks, the employee will be entitled to the first reemployment opportunity available over the next six months. If an employee requests leave extending beyond a 6-week period, he/she will be advised of his / her COBRA rights.

(ii) Health & Retirement Benefits

Our Company will make group health benefits available to full-time employees who work 30+ hours a week and shall contribute at least $1.25 per hour or $2,500.00 per year per employee. Part-time employees will also be given an opportunity to participate partially in health group benefits after being employed for at least six months. All employees will receive details about benefits provided, contribution rates, and eligibility in their hiring packet.

Further, our Company will make retirement benefits available to full-time employees who work 30+ hours a week after working one year with the Company. Pursuant to its desire to provide a "living wage," our Company shall look to provide a matching contribution of 3% to whatever the employee contributes to their retirement plan up to a maximum of $3,000.00.

(iii) Overtime

Non-exempt employees are paid overtime at a rate of one and one-half times the regular rate of pay. Overtime is awarded for (i) all hours worked over eight in one workday; (ii) for any hours worked over 40 in one work-week; and (iii) for the first eight hours of work performed on the seventh consecutive workday in one work week, without regard to the total number of hours worked in the previous six days.

Overtime is paid at the rate of double the regular rate of pay for every hour worked after the completion of eight hours worked on the 7th consecutive workday in any workweek. In addition, overtime is paid at the rate of double the regular rate of pay for every hour worked after the completion of 12 hours worked in one workday.

(iv) Rest & Meal Periods

Non-exempt employees who work shifts over five hours in length are required to take an unpaid 30-minute meal period, to be taken before the end of the 5th work hour. Non-exempt employees who work in excess of 10 hours in a day are entitled to a 2nd, 30-minute meal period, to be taken before the end of the tenth hour. Meal periods shall not be taken at the employee's work area.

(v) Workers' Compensation

Our Company provides workers' compensation benefits for the protection of employees with work-related injuries or illnesses. Workers' compensation insurance provides coverage to employees who receive job related injuries or illnesses. If an employee is injured or becomes ill as a result of his/her job, it is the employee's responsibility to immediately notify a supervisor of their injury in order to receive benefits. Our Company will advise the employee of the procedure for submitting a workers' compensation claim. If necessary, injured employees will be referred to a medical care facility. The on-duty manager will create a report of the event, containing as many details as possible, including the date, time, description of the illness or injury, and the names of any witnesses. A separate insurance company administers our Company's General Liability and Worker's Compensation insurance. Representatives of our Worker's Compensation carrier may contact injured employees regarding their benefits under the plan.

(vi) Continuing Education & Staff Enrichment

Catalyst is a leader in educating its staff and thereby its customers about the different strains of cannabis, up-to-date scientific knowledge, and the various methods of cannabis ingestion. **We coordinate with medical professionals that are knowledgeable regarding cannabis and cannabinoid therapies to curate ongoing staff and educational materials.** By employing this strategy our staff will have the tools to provide customers with the accurate, transparent information about cannabis and its effects on the body & mind.

Higher Education: We will reasonably accommodate and assist employees in attending conferences, classes, or educational workshops which will make them more knowledgeable in the field of retail cannabis (and, therefore, better employees). We strongly encourage educational programs which highlight cannabis safety and science,

to ensure staff can provide the best experience for our customers.

OSHA-30 Certification: We will maintain a minimum of two OSHA-30 Certified managers on staff. Occupational Safety and Health Administration ("OSHA") training is provided for enrichment of the greater staff; staff members that undertake OSHA certification will act as conduits, sharing their knowledge with co-workers through peer-to-peer training.

We are committed to providing and maintaining a healthy and safe work environment for all employees. However, a safety program can only be successful if everyone cooperates. Employee assistance in eliminating hazards and unsafe conditions and attention to good housekeeping will do much to make our Company a safe place to work. As a result, every employee is required to follow safe and healthy work practices at all times. In addition to compliance with safety measures imposed by the federal Occupational Safety and Health Act and state law, our Company has an independent interest in making its facilities a safe and healthy place to work.

Our Company recognizes that employees may be in a position to notice dangerous conditions and practices and therefore encourages employees to report such conditions to a supervisor or manager immediately. This would include non-functioning or hazardous equipment. Following the employee reporting, our Company will take swift and appropriate remedial measures.

Employees will not be retaliated against or discriminated against for reporting accidents, injuries, or illnesses, or for filing safety-related complaints, or requesting to see injury and illness logs. An employee's employment status will never be affected by a work-related injury or the filing of a workers' compensation claim.

Employees are required to promptly report all injuries at work, or other work-related injuries, no matter how minor, to their immediate supervisor. Supervisors are responsible for obtaining first aid and proper medical care, and promptly reporting the injury to Human Resources, who will fill out all appropriate forms and reports. The location of the nearest doctor and/or medical facility is posted on the bulletin board(s). Our Company provides insurance for all work-related injuries or illness.

(vii) Non-Discrimination: Creating and Maintaining a Diverse Workforce

Our Company shall not discriminate against any person, including employees and job applicants, because of race, sex, creed, color, religion, or national origin, in compliance with *CCR Title 22 §100760(a).* To ensure that we not only create a diverse workplace through hiring, but also that we support and maintain such a balance in perpetuity, we have examined non-discrimination best practices across other well-established industries.

Self-Audits: The U.S. Department of Labor advises that employers that periodically perform self-audits of their employment practices are much better able to avoid employment barriers and ensure they are providing equal opportunity. To that end, Catalyst has created a diversity "self-audit" in which we periodically review employment decisions (such as a hiring or promotion) that may affect women and minorities. The self-audit focuses on factors and standards that were used in making various employment decisions and evaluates how women and minorities fared in those decisions. Self-auditing should be conducted as soon after an employment decision is made as possible.

CATALYST — **Discrimination Self-Audit**

Hiring Questions

(1) Were there women and minority applicants?
(2) What were their qualifications?
(3) How did their qualifications compare to the qualifications of the people who were hired?
(4) Why did the decision-makers select those hired and not the women and minority applicants who seemed to have comparable qualifications?
(5) Were all the qualifications necessary for successful performance of the job?
(6) This part of the audit should help you determine whether job qualification standards were uniformly applied to all job applicants or whether exceptions were made or whether the company deviated from its own written hiring procedures or established hiring practices.

Promotion Questions

(1) Were there women and minorities who were eligible for a promotion?
(2) What were the promotion decisions based on, e.g., performance in another job?
(3) How did the women and minorities who were eligible for promotion compared to other candidates?
(4) If their qualifications seemed as good as the qualifications of the persons who were promoted, ask the decision-makers why they promoted who they did; were any of the factors used in making the promotion decision not really necessary for successful job performance?

Termination Questions

(1) Were women and minorities terminated?
(2) What were the factors relied on in making the termination decisions?
(3) If the women and minorities were terminated for offenses similar to those committed by non-minorities or men who were not terminated, ask why. Review the factors used in making the termination decision to determine whether any of them were not really necessary for successful performance in the jobs from which the employees were terminated.

(viii) Employee Rights

(1) Drug Free / Alcohol Free Workplace Commitment

Our Company is dedicated to providing a workplace that is free of drugs and alcohol. For the safety of our employees and customers, we reserve the right to test any employee for the use of illegal drugs or alcohol under state, federal, or local laws. This may be done in cases where an injury or accident has occurred, or if there is an apparent inability to perform the duties required of their position. Any employee found to use, sell, possess, or distribute drugs that are illegal under state, federal, or local laws, including cannabis, or any unauthorized drugs (including excessive quantities of prescription or over-the-counter drugs) while on the Company premises,

or while performing Company-related duties is subject to disciplinary action, up to and including termination of employment. Any suspected illegal drugs confiscated will be turned over to the appropriate law enforcement agency. Cannabis use by both staff and customers is strictly prohibited onsite.

(2) Sexual Harassment & Other Unlawful Harassment

Sexual harassment and unlawful harassment are prohibited behavior and against Company policy. Our Company is committed to providing a work environment free of inappropriate and disrespectful behavior, intimidation, communications, and other conduct that may be directed at an individual because of their sex; this includes conduct that may be defined as sexual harassment. **Prohibited harassment** includes harassment based on race, color, religion, national origin, ancestry, physical or mental disability, veteran status, age, or any other basis protected under local, state or federal law. Prohibited harassment includes behavior similar to sexual harassment, such as: (i) verbal conduct such as threats, epithets, derogatory comments, or slurs; (ii) visual conduct such as derogatory posters, photographs, cartoons, drawings, or gestures; (iii) physical conduct such as assault, unwanted touching, or blocking normal movement; and (iv) retaliation for reporting harassment or threatening to report harassment.

The initiation of a complaint, in good faith, will not under any circumstances be grounds for disciplinary action. It is against our Company's policies and unlawful to retaliate in any way against anyone who has lodged a harassment complaint or has expressed a concern about harassment. This includes protection for individuals that have cooperated in a harassment investigation.

(3) Abusive Conduct

Abusive conduct means malicious conduct of an employer or employee in the workplace that a reasonable person would find hostile, offensive, and unrelated to an employer's legitimate business interests. Abusive conduct may include repeated infliction of verbal abuse, such as the use of derogatory remarks, insults, and epithets, verbal or physical conduct that a reasonable person would find threatening, intimidating, or humiliating, or the gratuitous sabotage or undermining of a person's work performance. Our Company considers abusive conduct in the workplace unacceptable and will not tolerate it under any circumstances. Employees should report any abusive conduct to a supervisor or manager with whom employees are comfortable speaking. Supervisors and managers are to assume the responsibility to ensure employees are not subjected to abusive conduct. All complaints will be treated seriously and investigated promptly. During the investigation process our Company will attempt to maintain confidentiality to the fullest extent possible. It is a violation of Company policy to retaliate or otherwise victimize an employee who makes a complaint or a witness who serves in the investigation of the abusive conduct allegation.

(4) Equal Opportunity Employment

Catalyst Santee will establish Equal Employment Opportunity (EEO) criteria as a performance standard for supervisors. In accordance with applicable federal, state, and local laws, it is the policy of our Company to provide equal employment opportunities to all qualified individuals and to administer all aspects and conditions of employment without regard to protected statuses such as race, color, age, sex, sexual orientation, gender, gender identity, religion, national origin, pregnancy, marital status, AIDS/HIV, etc. We take allegations of discrimination, intimidation, harassment, and retaliation very seriously and will promptly conduct an investigation when warranted.

SECURITY PLAN

Section C: Security Plan

[redacted]

C.1 Qualified Security Professional

Relevant Citations
SMC § 7.04.320(B) [re. Security Plan Requirements]

[redacted]

C.2 DCC Premises Diagram

[redacted]

CATALYST

SANTEE LLC

PREMISES DIAGRAM

[redacted]

CATALYST
SANTEE LLC

PREMISES DIAGRAM (SITE)

C.3 Operational Security

[redacted]

[redacted]

C.3.C Inventory Control

Relevant Citations
SMC § 7.04.320(A)4 [re. UL Listed Vault Storage]
SMC § 7.04.320(C) [re. Storage and Transportation Plan]

[redacted]

[redacted]

C.3.D Facility Features - Security Premises Diagram

Relevant Citations
SMC § 7.04.320(A)6 Panic Buttons; § 7.04.320(A)7 Sensors; § 7.04.320(A)11 Battery Backup
SMC § 7.04.320(A)15 [re. UL Listed Network Security Protocols]

[redacted]

[redacted]

[redacted]

[redacted]

C.4 Cash Handling

[redacted]

[redacted]

[redacted]

C.5 Perimeter Security

Relevant Citations
SMC § 7.04.320(A)1 Perimeter Fencing and Exterior Lighting Systems
SMC § 7.04.320(A)16 Exterior Vegetation
SMC § 7.04.320(A)18 Installation of Mosquitos
SMC § 7.04.340(L) Loitering

[redacted]

[redacted]

(i) Signage

Relevant Citations:

CCR Title 4 Division 19 §§ 15039-15041.1 Posting & Advertising; Title 27 § 25600.2 Proposition 65 Warning
SMC § 13.32 Signs
SMC § 7.04.340(G) Signage & Notices
SMC § 7.04.340(J) Display of Permit & City Business License

[redacted]

C.6 Employee Training and Policies

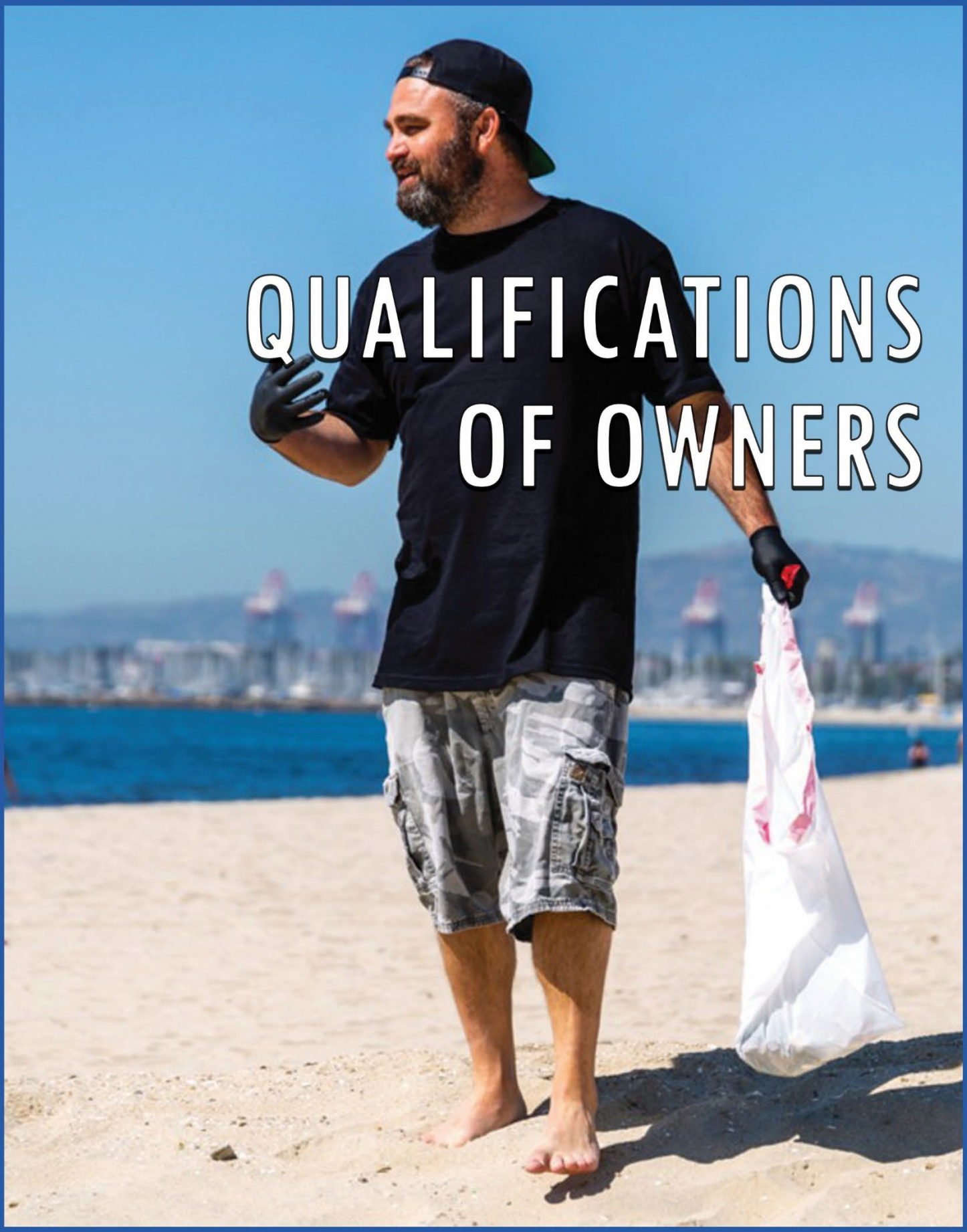
Relevant Citations
SMC § 7.04.340 [re. Training Standards]
SMC § 7.04.360(D) [re. Security Guard Requirements]

[redacted]

[redacted]

[redacted]

[redacted]



QUALIFICATIONS OF OWNERS

Greetings from our Ownership team!

Catalyst's founders are well known for their philanthropic works and political efforts to advance fairness in the cannabis industry.

They have frequently championed the disparity of social equity owners in the cannabis industry, and continue to work for legislation giving more opportunities to individuals negatively impacted by the War on Drugs. With a personal ethos that echoes the "Weed for the People" movement, our founders' voices on issues like social equity and cannabis taxes have made them standout figures in the cannabis industry.

Elliot Lewis: 67% Owner / Member

- *Catalyst Co-Founder*
- *Catalyst Santee LLC Manager*

Damian Martin: 33% Owner / Member

- *Catalyst Co-Founder*
- *Catalyst Santee Attorney, Community Relations Liaison & Security Representative*

Every one of our Company's decisions is meant to be a step towards ensuring #weedforthepeople becomes a reality so that everyone can have access to quality cannabis products at affordable prices.

Elliot & Damian are…

- **Industry leaders in the fight for clean, safe cannabis products.**
- **On the frontlines of the war against the illicit cannabis market.**

D.1 Our Owners' Prior Experience as Retail Cannabis Operators

Our owners have an unmatched track record of successful and timely development, establishment, and operation of cannabis retailers. Catalyst is currently among the twenty largest retail cannabis chains nationwide and is the second largest retailer in California. Although our operations are focused only within the state of California, our size is comparable to the largest multi-state operator chains in the country. Catalyst is indomitably positioned to expand into other nearby state markets, and we continue to strengthen our California market position through expanding into new licensing jurisdictions like Santee, and into new markets like the cannabis production sector.

These are developing non-operational Catalyst locations projected to open in 2025-2026:

1) **Catalyst Kierney Mesa** 5125 Convoy St Suite 211, San Diego, CA 92111
2) **Catalyst Stockton** (C12-0000466-LIC) 2479 Station Dr, Stockton, CA 95215
3) **Catalyst Riverside** 1778 Columbia Ave, Riverside, CA 92507
4) **Catalyst Riverside Social Equity** 3847 Pierce St, CA 92503
5) **Catalyst Visalia** (C10-0000657) 6614 Ave 304, Visalia CA 93291
6) **Catalyst Lynwood** (C10-0001428-LIC) 5110 E Imperial Hwy, Lynwood CA 90262
7) **8301 Western Holdings LLC** (undergoing relocation process in City of Los Angeles)
8) **Catalyst Hawthorne** (C10-00001427 & C11-00001915) 14115 Crenshaw Blvd 7-10, Hawthorne CA 90250

In addition to their Catalyst retailers, these affiliated cannabis retailers are also owned by our Owners:

1) **Higher Ground** (C10-0001441-LIC) 13467 Dalewood St, Baldwin Park, CA 91706
2) **The Lift** (developing non-operational location) 2800 E 4th St, Long Beach, CA 90814

Inclusive of these affiliates and developing licenses, Mr. Lewis and Mr. Martin currently own and/or operate 38 cannabis retailer and two distribution licenses, covering 25 municipalities across the state. Our history of relentless expansion speaks for itself; we believe that we are currently the fastest growing retailer in California! *In the last twelve months, Catalyst has opened five new retail locations around the state.*

Please see the following page, outlining the Catalyst license portfolio.
The breadth of the Catalyst footprint demonstrates Mr. Lewis' and Mr. Martin's mastery of the cannabis licensing process and the depth of their experience owning and operating licensed cannabis retailers.

Following that you will find resumes outlining the further details of our Owners' cannabis industry backgrounds.

CATALYST - BELMONT SHORE
5227 E. 2ND STREET, LONG BEACH, CA 90803
C10-0000227LIC, OPEN 10/2017

CATALYST - CHERRY
3170 CHERRY AVENUE, LONG BEACH, CA 90807
C10-0000525LIC, OPEN 10/2018

CATALYST - SANTA ANA
2400 PULLMAN STREET, SANTA ANA, CA 92705
C10-0000230LIC, OPEN 4/2017

CATALYST - SAN BERNARDINO
506 INLAND CENTER DR, SAN BERNARDINO, CA 92408
C10-0001359-LIC, OPEN 8/2023

CATALYST - NORMANDIE
300 S. NORMANDIE AVE., LOS ANGELES, CA 90044
C10-0001165-LIC, OPEN 10/2022

CATALYST - GROVER BEACH
1053 HIGHLAND WY, GROVER BEACH, CA 93433
C11-0000270-LIC, OPEN 3/2024

CATALYST - EASTSIDE
2115 E. 10TH STREET, LONG BEACH, CA 90804
C10-0000364-LIC, OPEN 6/2020

CATALYST - DOWNTOWN LONG BEACH
433 PINE AVENUE, STE. 500, LONG BEACH, CA 90802
C10-0000801-LIC, OPEN 8/2021

CATALYST - PATTERSON
100 WEST LAS PALMAS AVE.,PATTERSON, CA 95363
C10-0000058-LIC, OPEN 2/2023

CATALYST - SILVERLAKE
2334 FLETCHER DR, LOS ANGELES, CA 90039
C10-0001224-LIC, OPEN 3/2023

CATALYST - LYNWOOD
5110 E IMPERIAL HWY, LYNWOOD, CA 90262
C10-0001428-LIC, OPENING 10/2024

CATALYST - WATSONVILLE
1324 BEACH BLVD, WATSONVILLE, CA 95076
C10-0001210-LIC, OPEN 3/2023

CATALYST - OXNARD
4749 S. ROSE AVE, OXNARD, CA 93033
C10-0001125-LIC, OPEN 11/2023

CATALYST - VAN NUYS
8162 N. ORION AVE, VAN NUYS, CA 91406
C10-0001064-LIC, OPEN 9/2023

CATALYST - DISTRIBUTION
9032 ARTESIA BOULEVARD
BELLFLOWER, CA 90706
C11-0001218-LIC
OPEN 6/2020

CATALYST - BELLFLOWER
9032 ARTESIA BLVD B , BELLFLOWER, CA 90706
C10-0000376-LIC, OPEN 5/2019

CATALYST - LANCASTER
42020 4TH ST E, LANCASTER CA 93535
C10-0001458-LIC, OPEN 6/2024

CATALYST - DALY CITY
1000 KING DR, STE 200, DALY CITY, CA 94015
C10-0001231-LIC, OPEN 11/2023

CATALYST - OC3
3122 S. HALLIDAY ST, SANTA ANA, CA 92705
C10-0000207-LIC, OPEN 11/2023

CATALYST - MORENO VALLEY
21820 ALESSANDRO BLVD, MORENO VALLEY, CA 92553
C10-0000895-LIC, OPEN 11/2023

CATALYST - FLORENCE
316 W. FLORENCE AVENUE, LOS ANGELES, CA 90003
C10-0000865-LIC, OPEN 8/2021

CATALYST - EL MONTE
12154 VALLEY BOULEVARD, EL MONTE, CA 91732
C10-0000885-LIC, OPEN 10/2021

CATALYST - POMONA
456 E. HOLT AVENUE, POMONA, CA 91767
C10-0000903-LIC, OPEN 11/2021

CATALYST - MID CITY
3318 VENICE BLVD, LOS ANGELES, CA 90019
C10-0001205-LIC, OPEN 3/2023

CATALYST - COSTA MESA
170 17TH ST E, SUITE 115 COSTA MESA, CA 92627
C10-0001257-LIC, OPEN 7/2023

CATALYST - MARINA
3100 DEL MONTE BOULEVARD, MARINA, CA 93933
C10-0000915-LIC, OPEN 1/2022

CATALYST - PALM DESERT
39420 BERKEY DRIVE, PALM DESERT, CA 92211
C10-0000937-LIC, OPEN 3/2022

CATALYST - HEMET
41007 CA-74, HEMET, CA 92544
C10-0001020-LIC, OPEN 6/2022

CATALYST - STANTON
8130 MONROE AVE, STANTON, CA 90680
C10-0001258-LIC, OPEN 7/2023

CATALYST - SOUTH FIGUEROA
10020 FIGUEROA ST, LOS ANGELES, CA 90003
C10-0001177-LIC, OPEN 7/2023

Elliot Lewis

Owner / Member & LLC Manager

CONTACT

+1 (562) 310 - 8225
Elliot.Lewis@southcordholdings.com

EDUCATION

Bachelor's Degree
Philosophy
University of California, Berkeley

SKILL SETS

Leadership
Negotiation
Community Engagement
Team Collaboration
Strategic Planning
Political Action
Project Management
Business Development
Real Estate Development

PROFESSIONAL EXPERIENCE

Bio

Elliot Lewis is a father of four and a longtime activist for cannabis equity. His outspoken commitment to community values shows his dedication to making a positive impact beyond business, reflecting a rare blend of leadership and compassion in the cannabis industry.

Real Estate Industry

Before leaning into his cannabis industry success, Mr. Lewis was a successful full-time real estate developer. He has 19 years of experience working in the highly competitive real estate market, having bought and sold over 800 homes in excess of $250 million in value. Mr. Lewis has
extensive experience operating in high-value markets such as the beach communities of Southern California and the San Francisco Bay area.

Cannabis Industry

In 2016, Mr. Lewis set high sights on the emerging cannabis industry in his hometown, Long Beach California. He applied his investment and business acumen in the burgeoning cannabis market, founding and developing **Catalyst Cannabis Co**. That same year, Mr. Lewis captured 6 out of long beaches 32 available retail dispensary licenses. Since then, Mr. Lewis and his team have been awarded more commercial retail cannabis licenses in California than anyone else in the state, and as a result, Mr. Lewis has the most extensive portfolio of cannabis businesses of any single individual in the state of California.

With his partner and Catalyst Co-Founder Damian Martin, Mr. Lewis now owns/operates 28 active cannabis retailers (including six social equity retailers), one cannabis distribution center, and numerous cannabis real estate developments.

LICENSES

California Department of Real Estate,
License #01411286

PROFESSIONAL REFERENCES

Jefferey L. Stewart
Former City Manager,
City of Bellflower

[redacted]

Victor Sanchez
Councilmember,
City of Bellflower District 4

[redacted]

Susan "Suzie" Price
Senior Assistant,
Orange County District Attorney &
Former Councilmember,
City of Long Beach District 3

[redacted]

Andre Quintero
Former Mayor,
City of El Monte

[redacted]

Vicente Sarmiento
Supervisor,
Orange County Second District

[redacted]
vicente.sarmiento@ocgov.com

PROFESSIONAL EXPERIENCE - CONTINUED

Nonprofit Works

Catalyst Founder Elliot Lewis has served as an event organizer, donor, and host for over 50 charitable organizations, including Ronald McDonald House, LifeStream Blood Bank, and many others. He has also organized private events for community clean ups, veteran medicinal cannabis giveways, and numerous public education initiatives promoting cannabis awareness.

Benefits to the Local Santee Community

Mr. Lewis is deeply committed to being a positive influence in the community and business world. His civic minded professionalism is shown in his actions. He proactively works to protect the public from the dangers of the illegal cannabis market and to preserve the legal cannabis industry through good corporate citizenship. One of the most critical community initiatives Mr. Lewis has embarked upon as a CEO, one that has benefited and will continue to benefit the Santee community, is the "**Cat4**" safety movement which is raising safety standards across the cannabis industry. Mr. Lewis continually pushes to educate the public about the dangers of the illicit cannabis market and underage cannabis use.

AWARDS & HONORS

Gardena Valley Chamber of Commerce
Certificate of Appreciation
December 2022

Councilwoman Cindy Allen, City of Long Beach
Certificate of Recognition
August 2021

Councilwoman Mary Zendejas, City of Long Beach
Certificate of Recognition
August 2021

Mayor Robert Garcia, City of Long Beach
Certificate of Recognition
August 2021

Steven Bradford, California State Senate District 35
Certificate of Recognition
December 2023

Jack Herer Cup
Freedom Fighter of the Year
2023

Tina McKinnor, California State Assembly, 61rst District of the State Legislature
Certificate of Recognition
December 2023

Damian Martin

Owner / Member,
Attorney & Community Relations Liaison

CONTACT

[redacted]

EDUCATION

Juris Doctor
UCLA School of Law

Master of Business Administration
University of Maryland University
2010

Bachelor of Science
Business Administration
University of Maryland University
Summa Cum Laude
2007

LICENSES

California Bar #309684

PROFESSIONAL EXPERIENCE

Bio

Damian Martin has a lengthy background in service to the community. He developed a strong work ethic early in life and financially supported himself through acquiring his High School Diploma, College Degree, Master's Degree, and Law Degree. Continuing into his professional career, he applies that determination and idealism to all aspects of his work.

Military Background

While finding his voice as an activist, Mr. Martin served in the US Navy as an intelligence analyst, executing covert US Navy SEAL operations and national intelligence efforts in his deployments to Chad, Iraq, and Yemen. He continues to utilize his communications expertise to ensure that our company has an identifiable representative to act as our face and voice in the community.

Attorney Work

As Mr. Martin transitioned from military to civilian life, he pursued legal studies, providing an outlet for his idealistic nature. Early in his law career, he served as a Strategic Management Analyst for the District of Columbia Court Circuit, exposing him to the inner workings of legislative action and teaching him how to survive in the shifting landscape of politics. He cultivated successful and far-reaching law career before entering the cannabis field.

Seeing a clear need for advocacy and legal reform, Mr. Martin directed his legal career efforts to cannabis empowerment and found a new purpose in the cannabis movement. He has now been an advisory attorney within the regulated cannabis industry for over eight years, navigating developing regulatory changes with integrity and intention. Mr. Martin has confidently and ethically advised his cannabis clients through the robust maturation of the cannabis industry.

SKILL SETS

Political Action
Regulatory Drafting & Analysis
Linear Regression Analysis: *SAS*
Expeditionary Warfare Specialist
Technical: *Six Sigma Black Belt*

PROFESSIONAL REFERENCES

Hannah Shin-Heydorn
City Manager, City of Stanton
[redacted]
hshinheydorn@stantonca.gov

Alma Martinez
City Manager, City of El Monte
[redacted]
amartinez@elmonteca.gov

Steven Hernandez
Mayor, City of Coachella &
Chief of Staff for Riverside County
Fourth District Supervisor Perez
[redacted]
sahernan@rivco.org

José Solache
Mayor, City of Lynwood
[redacted]
jlsolache@lynwoodca.gov

Hugo Rojas II
President, Centinela Valley
Union High School District &
Founder & Chairman,
California Youth Karate Club
[redacted]

PROFESSIONAL EXPERIENCE - CONTINUED

Political Action

Damian Martin has drafted over a dozen cannabis regulatory ordinances in various California cities. He is one of the most prolific and effective cannabis administrative attorneys in California. Before entering the cannabis field, Mr. Martin built strong analytical skills working as a Strategic Management Analyst for the District of Columbia Courts and a Senior Operations Analyst for Capital One Financial Corporation. This skillset helped him thrive within the complex legal and political framework of the newly forming cannabis industry. Mr. Martin and his team have successfully executed numerous ballot initiatives pertaining to cannabis social equity, cannabis access, and fair taxation of cannabis.

Benefits to the Local Santee Community

Mr. Martin is a force for good in the cannabis industry. He uses ethical political action strategies to power his "grassroots" initiatives. To that end Mr. Martin and his longtime partner and Catalyst Co-Founder, Elliot Lewis, jointly created Catalyst's community outreach program known as **Catalyst Cares**. Mr. Martin uses the Catalyst Cares team as a force multiplier, amplifying his ability to make direct contact with community members and stakeholders. Through Catalyst Cares, Mr. Lewis and Mr. Martin have jointly coordinated and hosted numerous volunteer events, such as youth education initiatives, community clean-ups and criminal record expungement clinics.

AWARDS & HONORS

Military Honors

Joint Service Commendation Medal

Navy Achievement Medal (2x)

Seal Team Eight "Sailor of the Quarter"

N.S.W. Group Two "Sailor of the Quarter"

Joint Meritorious Unit

Navy Unit Commendation

Analyst Awards

Capital One Process Excellence

Capital One Excellence in Action

Analyst Development Program - Business Case Winner

Scholastic Achievements

Captain Anthony D. Sesow Scholarship

OPINTEL "C" School Honor Graduate

I.S. "A" School Honor Graduate

Navy Recruit Academic Excellence

UMUC Summa Cum Laude

D.2 Cannabis Industry Knowledge & Accomplishments - Best Practices in Action

Our Owner & LLC Manager Elliot Lewis is widely known as a vocal advocate for fairness in the cannabis industry. He speaks fearlessly on issues that affect the viability and survival of the licensed cannabis industry, such as fair taxation, unfair competition, product safety, and the importance of labor relations.

Owner, Attorney, and Liaison Damian Martin has an especially deep knowledge of both the California licensing framework and the granular nature of local agency approvals. During his time in working for the District of Colombia Courts, he learned many skills that would help him navigate the burgeoning cannabis industry. Through successfully applying his knowledge of political action and cannabis licensing, Mr. Martin has become a widely respected leader in cannabis policy interpretation.

Forbes

FORBES > LIFESTYLE

5 Quick Questions With Elliot Lewis, Owner/Founder Catalyst Cannabis Co.

Warren Bobrow Former Contributor ©

I work with cannabis and have done some wild things in life. cocktailwhisperer.com

Jul 27, 2020, 04:20am EDT

Elliot Lewis

Elliot Lewis is the founder Catalyst Cannabis Co.; he currently owns and operates 5 retail storefronts in Southern California including - Long Beach, Bellflower, and Santa Ana which have recently gone through a rebrand of all existing stores as they continue to build the Catalyst name up and down the coast. As a manager of numerous cannabis businesses, Lewis has established himself as one of the top commercial marijuana operators in California as he continues to expand with dreams to bring cannabis to every city state-wide.

D.2.A State Regulatory Compliance - Going Above & Beyond

As a result of their work in cannabis regulatory drafting and retail operations, our Owners have a deep understanding of the potentially required entitlements that are involved in promptly opening a cannabis retailer. They have a clear picture of what is required to submit *approval-ready* application materials and structural plans. Our company's impressive growth rate is quantifiable proof of our expertise in entitlements, permitting and regulatory responsibilities. Our planning materials are always prepared and approved by our talented team of master contractors, architects and engineers. We submit all applications and site relating filings as early as possible, to provide regulators with the best opportunity to support and approve our documents.

Getting it right - Santee is a thriving city with a robust local economy. In some of the state's largest cities we have multiple licensed cannabis retailers. Repetition of the local entitlement processes enabled us to not only engage more deeply with our local governments in those cities, but also to refine our understanding of the planning and building check processes.

Long Beach - 4 Retail Locations ***Los Angeles - 6 Retail Locations***

State regulatory compliance is baked into every aspect of our operations, from our floor plan to our hiring protocol, to our detailed inventory tracking SOPs. Understanding state regulatory compliance is a must for any retailer hoping to achieve longevity in the highly regulated cannabis industry. It is only possible to achieve the scale and success level of a company like Catalyst by going well beyond regulatory compliance and mastering industry best practices on a large scale. Section D outlines many of Catalyst's best practices and leading-edge cannabis industry accomplishments. Please read on to learn more about how we've set ourselves apart using our Owners' forward-thinking expertise.

D.2.B Our Owners' Contributions to the Cannabis Industry

Our Owners' altruism and integrity are the driving forces behind Catalyst's forward-thinking movement, which aims to create a synergistic cannabis economy where cannabis businesses are fairly taxed, provide meaningful community benefits, and offer living wage local jobs to local residents.

(i) Cannabis Trade Associations

We are a Company that takes action! We have supported various cannabis industry professional organizations.

LA NORML and CA NORML - The National Organization for the Reform of Marijuana Laws ("NORML") is a non-profit organization dedicated to protecting and expanding cannabis consumers' rights. Owner Damian Martin worked as an advocate and contributing author for both the California and Los Angeles chapters of NORML, authoring articles educating the public and the legal community about early cannabis regulations.

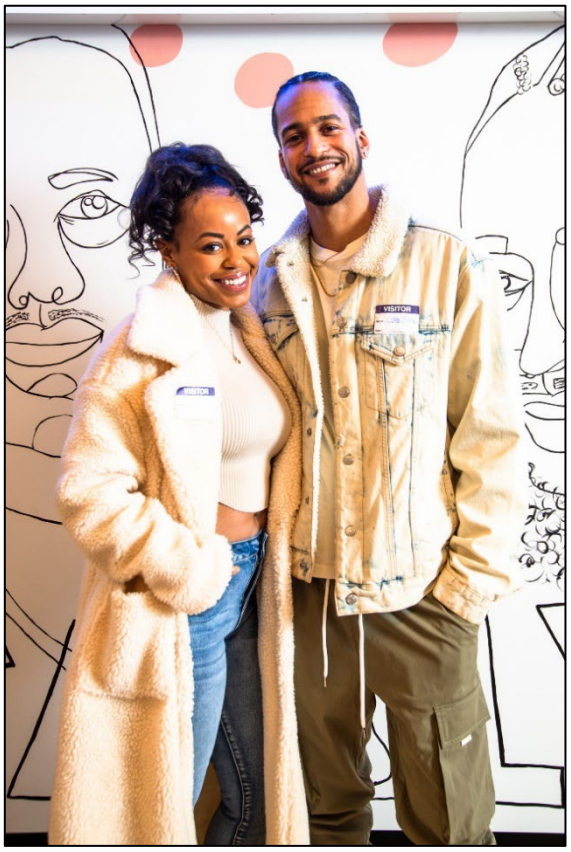
Greater Los Angeles Collective Alliance - Damian Martin worked with the Greater Los Angeles Collective Alliance to draft ordinances and provide legal research and analysis. His early regulatory drafting included the initial versions of an attempted tax reform measure in Los Angeles, which appeared on March 2017 ballot ("The Los Angeles, California, Marijuana Regulation and Taxation Initiative," Measure N).

Statewide Association of Cannabis Retailers - Elliot and Damian have recently begun a statewide grassroots movement towards establishing a coalition of forward-thinking cannabis retail operators who are united in a shared vision: to propel the cannabis industry to new heights of success and innovation. This newly-forming association represents cannabis industry operators across the state. Members are committed to fostering a unified voice for the cannabis industry in California that aims to be a pivotal force in shaping responsible policy, advocating for a stronger, more economically powerful industry and ensuring its growth and development.

- **Advocacy:** As the collective voice of cannabis operators, our coalition will lead the charge to promote and protect the policies that will unlock the full potential of the California cannabis industry through lobbying federal, state and local elected leaders. The success of the cannabis industry is the north star of our advocacy in each of the policy areas we engage in across local, state and national government.
- **Operator Community:** We will bring together a diverse group of cannabis operators across the industry, creating a strong, supportive community. Our group offers opportunities for professional networking and for sharing industry best practices, to drive innovation and success within the industry.
- **Resources:** By drawing on the full weight of our members' decades of experience, we aim to provide members with unparalleled resources on regulatory requirements and best practices for operational excellence. The knowledge of our members will empower other operators to navigate the cannabis landscape and industry promotion with confidence and success.

(ii) Social Equity Retailers in the Catalyst Cannabis Co. Family

We have contributed support to multiple social equity businesspersons with real action, not just lip service. We take great pride in being an impactful catalyst in the cannabis regulatory landscape, particularly as it pertains to social justice and socially equitable causes. **Six of our existing Catalyst retailers are classified as "Social Equity" businesses in Los Angeles.** Forming partnerships geared towards uplifting those impacted by the war on drugs and other systematic biases is a crucial part of our Weed for the People movement. Catalyst Santee's Owners have a long history of embracing Social Equity Programs through their existing cannabis business operations; in each of these cases, our Owners Mr. Lewis and Mr. Martin fulfill the role of a "no strings attached" Minority Owner/Member of the business. Our Owner's deep commitment to uplifting social equity programs can be seen through our tangible actions.



Catalyst Silverlake Owner, Oliver Barroso

1) **Catalyst Florence**, 316 W. Florence Ave, Los Angeles CA 90003 (C10-0000865-LIC)
2) **Catalyst Normandie**, 8300 S. Normandie Ave, Los Angeles CA 90044 (C10-0001165-LIC)
3) **Catalyst Silver Lake**, 2334 Fletcher Drive, Los Angeles CA 90039 (C10-0001224-LIC)
4) **Catalyst Mid City**, 3318 Venice Boulevard, Los Angeles CA 90019 (C10-0001205-LIC)
5) **Catalyst South Figueroa**, 10020 S. Figueroa St, Los Angeles CA 90003 (C10-0001177-LIC)
6) **Catalyst Van Nuys**, 8162 Orion Avenue, Van Nuys, CA 91406 (C10-0001064-LIC)
7) **8301 Western Holdings LLC** (*presently undergoing the City's relocation process*)

(iii) Our Social Equity Incubator Program - PUSHER MAN Delivery

We set the bar for Social Equity. **In 2021, Elliot Lewis hosted one of the first cannabis-based social equity "incubator" programs in the State.** This unprecedented and highly successful collaboration was executed using Catalyst's pre-existing staff and retailer premises known as "Catalyst Eastside." Mr. Lewis saw an opportunity to hold space in a meaningful way when he partnered with PUSHER MAN Co-founder Carlos Zepeda. Mr. Zepeda was the first social equity candidate selected for licensing in Long Beach; he was struggling to mobilize his recently awarded cannabis license, as were the other local social equity license winners.

Mr. Lewis used his position as a successful business operator to train the PUSHER MAN staff and leverage pricing advantages more fairly for Mr. Zepeda on cannabis products and advertising. Mr. Lewis and Mr. Zepeda successfully launched the PUSHER MAN delivery service to 100% independence. Catalyst facilitated all aspects of the PUSHER MAN launch, from licensing, to hiring, to branding. Catalyst funded 100% of PUSHER MAN's startup costs, workforce training, and compliance training. *PUSHER MAN is Long Beach's first social equity delivery service, and is now operating fully independently, keeping 100% of their profits.*

"Out of over a hundred approved applicants in the Long Beach social equity program, only one person has received a license. This is the heart of the problem."

- Elliot Lewis

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NEWS

A new cannabis delivery service aims to bring more diversity to the Long Beach cannabis industry

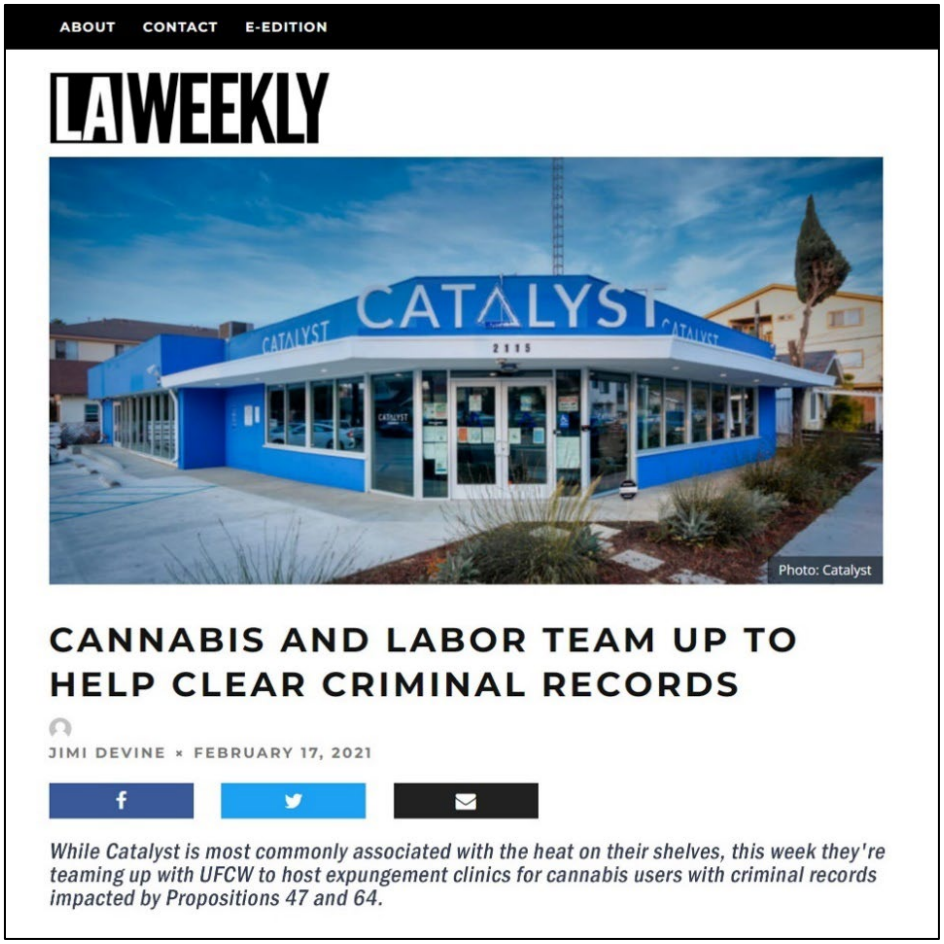
by Alena Maschke June 23, 2021

Carlos Zepeda, owner 35, and Jazmere Johnston, Delivery Manager 31, operate Pusherman Delivery a cannabis business in Long Beach.

Thursday May 27th, 2021 Photo by Thomas R Cordova

Carlos Zepeda Owner, ***PUSHER MAN*** *Delivery*

(iv) Expungement Clinics



ABOUT CONTACT E-EDITION

LA WEEKLY

CANNABIS AND LABOR TEAM UP TO HELP CLEAR CRIMINAL RECORDS

JIMI DEVINE × FEBRUARY 17, 2021

While Catalyst is most commonly associated with the heat on their shelves, this week they're teaming up with UFCW to host expungement clinics for cannabis users with criminal records impacted by Propositions 47 and 64.

Photo: Catalyst

Catalyst has been actively engaged with criminal record expungement clinics to repair the damage and generational trauma caused by the failed war on drugs. Our clinics provide services for individuals from social equity backgrounds and others. Catalyst has reclassified felonies down to misdemeanors for many hopeful individuals.

"Expungement" is getting criminal records changed to reflect the current status of the law, while "Reclassification" refers specifically to changing a prior felony conviction to a misdemeanor under the updated laws. The types of crimes eligible for possible relief include:

- *Simple drug possession*
- *Possession of cannabis or concentrates*
- *Possession of cannabis with the intent to sell*
- *Sale or transport of cannabis*

Catalyst's Expungement clinics are a two-part process. First, we offer a **Live Scan Workshop** in which we give clients the opportunity to perform a criminal background check on themselves. Live Scan Workshops are conducted monthly, at rotating Catalyst locations. Once the Live Scan results are received, our pro-bono legal team reviews the individual records at our summer or winter **Expungement Workshop**. For individuals that qualify for expungement and/or reclassification, our legal team will provide them with step-by-step guidance and free of charge legal advice to complete the process of expungement and/or reclassification.

We look forward to hosting expungement fairs for the Santee community! Catalyst stores have hosted expungement clinics with UFCW and with the "Center for Community Action and Environmental Justice."

(iv) Our Fight for Clean and Safe Vaporized Cannabis Products - The CAT4 Movement

Catalyst has started a first-of-its-kind laboratory testing program that provides secondary testing oversight for cannabis products on Catalyst shelves. We aim to ensure that our high standards permeate not only our guests' sales experience, but also their consumption experience.

Standardized Department of Cannabis Control laboratory testing is defined as "Category Three" testing, and is commonly referred to as a "CAT3" testing panel. CAT3 covers a relatively small list of pathogens and toxins, lacking even some obvious hazards such as chemicals which are prohibited within commercial tobacco products. All cannabis products in the licensed California supply chain are subject to CAT3 testing requirements. Nonetheless, consumer concern has been dramatically increasing regarding the prevalence of dangerously contaminated cannabis products within the licensed market. Investigative testing has revealed contamination

on two fronts: some products, as expected, contained contaminants which are not yet banned by the DCC; others were somehow tainted with contaminants for which *they have already been tested* and cleared for sale by licensed laboratory testing facilities. This ongoing issue indicates a lack of representative testing samples, as these products have, on paper, passed the required state testing regimen. Beyond that, this shines a spotlight on the issue of *known toxins* in licensed cannabis products, which are perfectly legal due to a lack of regulatory language specifically prohibiting them.

***What is CAT4?...* Category Four is the future industry-standard of product safety**. Until common-sense legislation catches up with these regulatory shortfalls, Catalyst is going above and beyond our legal obligations as retailers and is providing another layer of laboratory safety testing for the brands on our shelves. Our updated testing panel includes all the Department of Cannabis Control CAT3 requirements and adds to them other known dangerous chemicals which are not yet prohibited under California state law. Catalyst is the first cannabis retailer in the nation to initiate this level of internal quality control, and others are soon to follow suit. Cannabis users are becoming increasingly focused on health and safety as long-term cannabis use is socially normalized. The CAT4 Movement takes industry best practices to the next level - we are setting the standard for the best in the industry. See the QR code at right for a news article discussing the California pesticide scare and how Catalyst is at the forefront of pushing back against unsafe cannabis products.

The CAT4 Movement is coming soon to a city near you, Santee!

#weedforthepeople #patientsoverprofits #cleanforthepeople

Cannabis laboratories do not typically test for many known dangerous substances. For example, the EPA has classified the chemical pymetrozine as a "likely" human carcinogen.

According to Catalyst's own testing statistics, about 24% of distillate vapes currently on the market contain harmful levels of pymetrozine.

(v) Our Fight Against the Unlicensed Cannabis Market

According to Catalyst's own internally performed testing, unlicensed cannabis market products overwhelmingly tested positive for dangerous pesticides, far more so than legal products. Aside from being increasingly dangerous, it is well known that illicit cannabis businesses do not consistently age-gate their products to adults over twenty-one, or to medicinal cannabis users.

Even when cities provide permitted legal cannabis sales, a demand for illegal cannabis will always remain. Many consumers have chosen to not participate in licensed cannabis sales because they have been soured by the highly taxed transactions. Most cannabis purchasers are cost-driven; through our experience, we have discovered that the most effective way of combatting the illegal cannabis market is through direct, head-to-

head competition. Regardless of the taxes that we are subject to as licensed retailers, we must remain unflinchingly competitive with these unlicensed suppliers pricewise. The need to do so goes beyond our need to profit as a company; we compete with the illegal market to protect the stability of the legal cannabis market as a whole. It is well known by now that legal access to cannabis decreases crime rates.

Whenever possible, we work with our local Code Enforcement officers to help reduce the presence of unregulated, untaxed cannabis sellers within our cities. Furthermore, we have brought this issue to the state's attention with persistence and have successfully established through the California court of appeals that we have a complaint which deserves to be heard and adjudicated for the betterment of the cannabis industry.

(vi) Policy Initiatives

Catalyst has a long history of policy reform and advancement. Catalyst proudly pursues regulatory policies that allow for equal access within the cannabis industry and related spaces. Policy initiatives are some of our most involved mobilizations; when we call on the Catalyst team, they answer the call. We have participated in numerous grass roots political initiatives, such as organizing ballot measures, protests, and rallies for fairness in the cannabis industry. With the objective of expanding cannabis retail access and fair taxation, Catalyst backed, supported, and ran campaigns for 12 local cannabis ballot measures in Southern California during the 2022 election cycle. In 2022 alone, we effected 8 *successful* cannabis related ballot measures furthering cannabis access and fair taxation.

- ✓ **Measure C** (cannabis tax measure) in Los Angeles County passed with 60.18%
- ✓ **Measure BA** (cannabis access and tax measure) in Cudahy passed with 54.04%
- ✓ **Measure CB** (cannabis access and tax measure) in Baldwin Park passed with 51.33%
- ✓ **Measure CM** (cannabis access and tax measure) in South El Monte passed with 53.61%
- ✓ **Measure CT** (cannabis tax measure) in Claremont passed with 60.96%
- ✓ **Measure TR** cannabis (cannabis tax measure) in Lynwood passed with 66.92%
- ✓ **Measure HMP** (cannabis access measure) in Santa Monica passed with 66.23%
- ✓ **Measure O** (cannabis tax measure) in Huntington Beach passed with 54.67%

Catalyst has done extensive work fighting for fair taxation within the cannabis industry. We've found that the most effective reforms come through peaceful collaboration. We are currently working with the cities of Long Beach and Santa Ana to draft amenable and sustainable tax reform for the local cannabis industries. In some instances, we have applied ourselves to this issue through our previously discussed Ballot Measures. Most recently, we have initiated a push against the CDTFA to advance fair treatment of the cannabis industry. Even at the risk of expense and exposure, we stand by our goal of reforming cannabis taxes to level the legal playing field and generate affordability in the legal market. We don't view our fellow retailers as our competition, solidarity is our strength. Our true competition is the *untaxed* illicit cannabis market.

(vii) Cannabis Ordinance Drafting & Advising

The regulated cannabis industry is both complex and rapidly changing within local and state jurisdictions. We have assisted and participated in countless government regulatory agency groups that pertained to cannabis, such as regulatory workshops, consultations, and direct ordinance drafting. Our Owner Damian Martin has provided guidance in the form of essay writing, consulting, and regulatory drafting to many localities across the state as they have developed their local cannabis programs. Mr. Martin has an unparalleled knowledge of the cannabis regulatory landscape; he has authored *more than a dozen* regulatory ordinances in various cities throughout California, for example: Cudahy, Maywood, Culver City, El Monte, South El Monte, Lynwood, and Baldwin Park.

Damian Martin, Cannabis Ordinance Author, City of El Monte

(viii) Damian Martin's Scholarly Writings

Cannabis education is one of our passions. Our owner Damian Martin spent a great deal of his early law career advocating for the cannabis industry through education. Aside from his writings for cannabis advocacy groups such as NORML, Mr. Martin has made great headway *outside the cannabis industry* in educating and destigmatizing cannabis use and retail commodification. The following is a sampling of Mr. Martin's early published scholarly articles on cannabis law and policy:

Environmental Regulation of Marijuana Cultivation in California: Got the Munchies for Some New Regulation but Only Boring Old Sticks are on the Menu (3rd place winner in the Texas A&M Journal of Property Law 2015 Writing Contest)

California Medical Marijuana Law: The Voters and Legislature Have Made Their Decision; Now Let Them Interpret It!, 11 JOURNAL OF LAW, ECONOMICS & POLICY 105 (2015)

California's Water Regulations for Cannabis: Life-Altering Substance for Cannabis Cultivators (2015)

D.3 Owners' Involvement with Day-to-Day Operations

Relevant Citations:
SMC § 7.04.310(A)(B) [Re. Owner Recordkeeping Requirements]
SMC § 7.04.060 [Re. Definition of Owner]

Through experience, our Owners know that a successful business does not run itself. In operating an organization the size of Catalyst Cannabis Co. it is crucial to maintain a focus on daily operations *at each store*. Consistency in operations is one of the primary factors in determining customer retention and loyalty. Some

business models are conducive to remote management, but retail cannabis is not one of them. **Only firsthand, tactile quality control and site checks can ensure consistent provision of our best-of-class standards.** To provide true consistency across the Catalyst retail chain, our Owners provide hands-on, boots-on-the-ground support to our management teams.

(i) Elliot Lewis 67% Owner / Member & LLC Manager

Owner Elliot Lewis will wear multiple hats within the administration of our Company. Our LLC Manager is the senior executive officer responsible for our overall operation and has direct authority, control, and supervision over all our personnel. Our LLC / Company Manager shall exercise and perform such other powers and duties as provided in the Operating Agreement of our Company or expanded by vote of the Owners / Members.

As our Company's LLC Manager, Mr. Lewis will be endowed with all authorities vested with the "Manager" in our operating agreement, which includes and authorizes our LLC Manager to generally supervise, direct, and control the activities, affairs and the Officers / Managers of our Company, subject to the control of the Members. In other words, our LLC Manager is the senior executive officer responsible for our overall cannabis retailer operation and has direct authority, control, and supervision over all personnel. Mr. Lewis shall preside over our Company's board meetings and be responsible for Catalyst Santee's reports, audits, and records.

(ii) Damian Martin 33% Owner / Member, Attorney, & Community Relations Liaison

Owner Damian Martin will oversee legal affairs at our Company. He will provide direction on security, operations and community benefits, using his experience as a cannabis regulatory author and statistical analyst.

As our Liaison, Mr. Martin is the senior executive Officer that will serve as our Company's point-of-contact for on-site community relations, to whom government representatives and members of the community can provide notice when there are operating problems associated with our cannabis storefront retailer. Mr. Martin will be responsible for oversight and implementation of our Company's Community Benefits Plan. He will further be responsible for shepherding our Storage and Transportation Plan, maintaining accurate onsite copies and presenting them as required to the City Manager or their designee.

NEIGHBORHOOD COMPATIBILITY PLAN

8625 CUYAMACA STREET

Let's be neighbors, Santee!

When Catalyst comes to the neighborhood, we bring positivity and professionalism. Our site will be designed in a truly bespoke way. Our design team is highly experienced in regionally specific developments, and our aim is to align Catalyst's existing stylistic designs with the design guidelines of Santee's General Plan. We are confident that Catalyst Santee will seamlessly integrate into the pre-existing design theme of our community, street, and block.

We want to be great neighbors. Site selection strongly informs how our Company curbs potential nuisances. Protecting our neighbors and the larger community from disturbances is a highly strategic undertaking that begins with proper zoning and community research.

As we develop our site and launch our business, regular and consistent community outreach will ensure that the lines of communication remain open and flowing with our neighbors.

Our Neighbors …

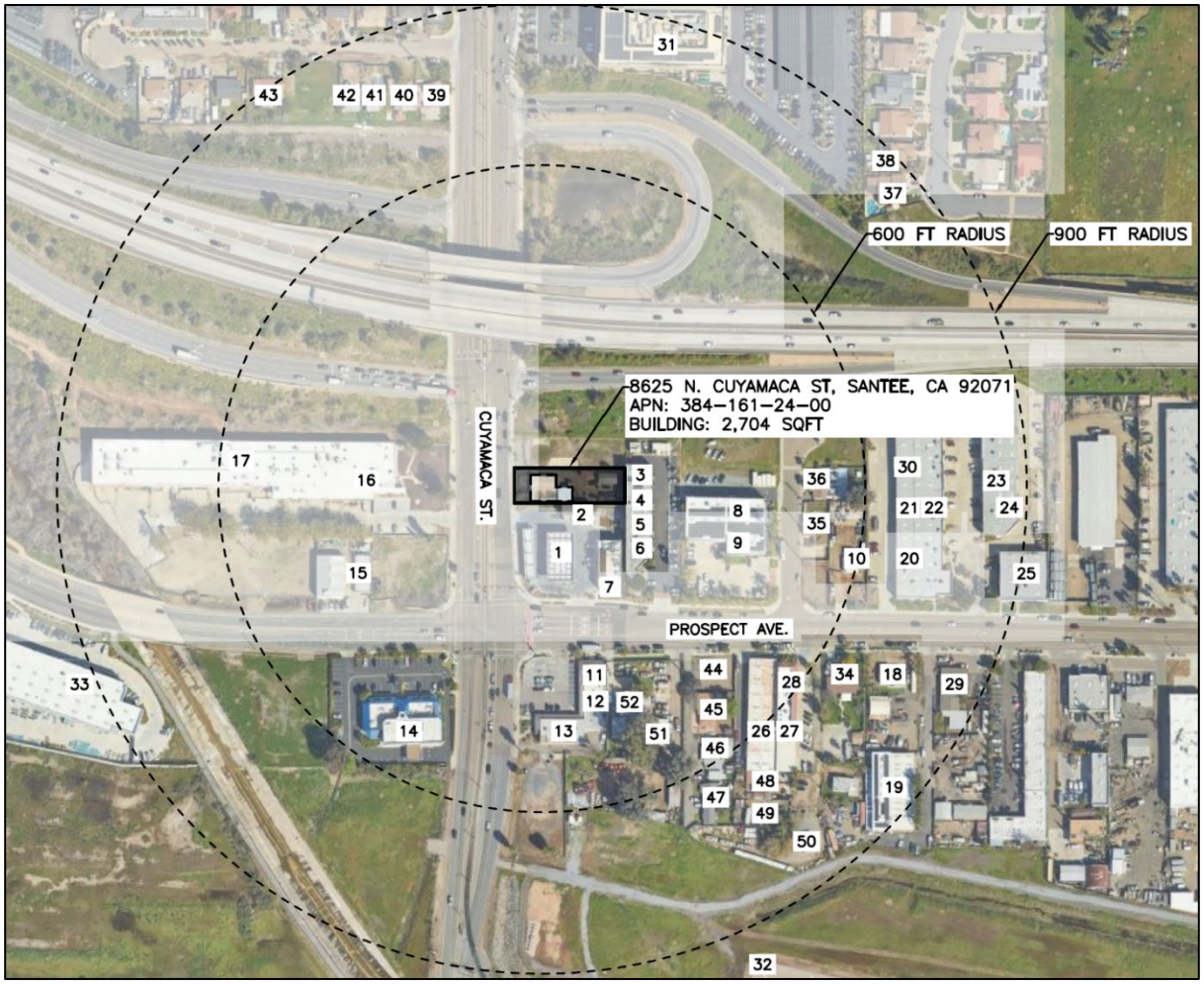
- **Have access to top-quality bottom-priced cannabis products.**
- **Enjoy the only Cat4 tested product menu statewide.**
- **Get access to our fairly paid Union jobs.**
- **Have access to live cannabis education forums.**
- **Can rest easy knowing they have a good corporate citizen as a neighbor.**

E.1 Nuisance Mitigation

SMC § 7.04.340(et seq.) Operating Requirements

We take nuisance mitigation very seriously. Being a good neighbor is what keeps us in business. Our Company shall take all reasonable steps to discourage and correct conditions that constitute a nuisance in parking areas, sidewalks, alleys, and areas surrounding our retailer and adjacent properties. "Reasonable steps" shall include calling the Sheriff's Department upon observation of the activity and requesting that potential nuisances cease those activities (unless personal safety would be threatened in making the request). As a deterrent, we shall prohibit loitering within 100 feet of the premises, and we shall not allow the consumption of cannabis at or in the vicinity of Catalyst Santee. The key topics in our nuisance mitigation protocol are **odor, noise, loitering, graffiti, light, public consumption, loitering, littering, waste, and vehicle and pedestrian traffic.** Potential nuisances are avoided through our outdoor security patrol, signage, lighting, regular trash pickups, "mosquito" high frequency noise emitters, air filtration system, & positive community relationships. Per state law, we utilize secured cannabis waste disposal, ensuring that no cannabis is ever present in our trash or dumpster.

As shown by our Plan Set's Radius Map (*excerpted at right*) our proposed premises are located more than 900 feet from nearby sensitive uses. Sensitive Use buffers are the most important component of neighborhood compatibility; our site has been carefully chosen to ensure its safe insulation from incompatible uses, and its suitability as Catalyst Santee's new home.



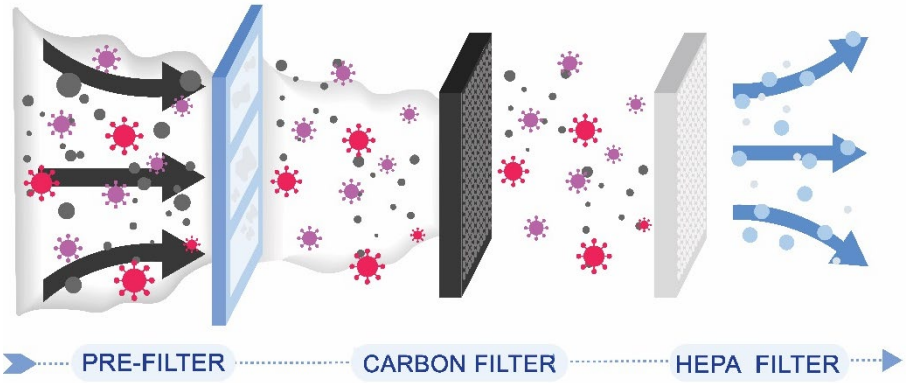
When it comes to nuisance mitigation, we know what we're doing. At Catalyst, we make a point of maintaining good relationships with neighbors and community groups.

E.1.A Odor Mitigation Protocol

The main potential source of odor at Catalyst Santee will be the cannabis products. In accordance with state law, cannabis products will be stored in sealed packages, apart from the small quantity used for display purposes. Our facility shall utilize adequate odor control measures such that cannabis odors cannot be detected from outside of our business. We have devised a tiered odor control plan consisting of functional and esthetic elements, working in harmony with our design theme. **Increasing levels of filtration is the basis of our Odor Mitigation Plan**. Catalyst Santee will utilize layers of technology such as double-sealed doors and air-scrubbing carbon units to purify the air. Our air treatment system will be professionally installed and properly maintained. The air treatment system will consist of carbon filtration on the exhaust side of the ventilation system and negative pressurization of the interior in relation to the exterior. We will regularly inspect and maintain our equipment to ensure that the odor mitigation system remains functional. We will also train staff in procedures and protocols for air quality and odor control, and practices to ensure that the filtration system is functioning properly. Our odor mitigation systems and plans will be regularly updated with the best available industry-specific technologies.

(i) Air Filtration Systems

An exhaust and ventilation system shall be utilized to prevent both off-site odors and odors within our premises. Our operations shall not create dust, noxious gasses, odor, smoke, unsafe conditions, or other impacts that could create a public nuisance or adversely affect the health or safety of the nearby residents or businesses. The industry standard for air filtration calls for an activated carbon filtration system, photo catalytic oxidation ("PCO"), or a similar air-scrubber system. These systems greatly reduce, and often eliminate, the odors that can be associated with cannabis products. The configuration and design of our filtration system will be finalized during the building permit phase to allow for City input and ensure the proper system is utilized. The filtration system installed will mitigate cannabis odors from the following locations: (i) off-site; (ii) adjacent properties; (iii) any public rights-of-way; and (iv) common tenant areas. Plans for our odor-combatting filtration system will be submitted to the City for approval, and our Company will schedule an audit with the City to confirm compliance with approved plans. The system creates negative pressure between the building interior and exterior, keeping odors and vapors inside, and not detectable from the outside. Meanwhile, a carbon-zeolite mixture and a true medical HEPA filter absorbs and removes odors and gases.



(ii) Ventilation

All areas of our retailer will have sufficient ventilation to facilitate proper product storage and to provide a healthy working environment for each employee. Our restrooms will be vented to the outside air by means of a light-switch activated exhaust fan, consistent with the requirements of local building codes.

(iii) HVAC Support

We have a deep understanding of HVAC system standards. Our odor mitigation systems and plans are updated frequently to maintain consistency with leading-edge odor mitigation technologies. As long-time retailers and operators of a cannabis Distribution license, Catalyst has successfully field-tested and refined the installation and upkeep of modern high-performance HVAC equipment. We are intimately acquainted with the amount of odor generated by cannabis at a retail establishment, and we have a clear picture of what is required to responsibly contain that odor.

CATALYST

ODOR MITIGATION SCHEMATIC

ON-SITE ODOR MITIGATION PLAN:

1. PER STATE GUIDELINES, PRIOR TO ARRIVING ON-SITE, ALL PRODUCT IS PACKAGED &SEALED IN PLASTIC BAGS TO CONTAIN NEARLY ALL ODOR.

2. TO CAPTURE ANY ANCILLARY ODOR, AN EXHAUST AIR FILTRATION SYSTEM WITH ODOR CONTROL THAT PREVENTS INTERNAL ODORS FROM BEING EMITTED EXTERNALLY WILL BE UTILIZED PER CITY OF SANTEE MUNICIPAL CODE SECTION 7.04.340 I-1. THE PROPOSED 3-STAGE AIR PURIFIER, INCLUDING A 4" PLEATED PRE-FILTER, 16 CARBON CANISTERS, AND A 2" PLEATED POST-FILTER, WILL BE CONTINUOUSLY SANITIZING THE AIR OF ALL CANNABIS-CONTAINING ROOMS AT A VOLUMETRIC RATE OF NO LESS THAN 10 AIR CHANGES PER HOUR.

3. ADDITIONALLY, EACH OF THESE ROOMS IS NEGATIVELY PRESSURIZED TO PREVENT ODOR-CONTAMINATED AIR FROM ESCAPING THE ROOM PRIOR TO BEING FILTERED PER CITY OF SANTEE MUNICIPAL CODE SECTION 7.04.340 I-2.

4. VENTILATION (OUTSIDE AIR) TO BE PROVIDED PER 2022 CALIFORNIA MECHANICAL CODE TABLE 402.1. REFERENCE OUTSIDE AIR CALCULATIONS PROVIDED BELOW.

ODOR SERIES — CLEANLEAF Air Filtration System

Comply With Odor Regulations & Protect Your Plants

Controlling odor in and around your facility is a constant challenge. The CleanLeaf Odor Series was specifically engineered for cultivators to help eliminate the odor of even the most potent plants - with extra filters to help combat contaminants. Focus on your grow without worry of odor complaints or mold outbreaks.

Each unit filters approximately 15,000 cubic feet.
In order to create the proper air pattern, we always recommend placing two units.

SKU: CL2500D-CCP

Unit Specifications

ACFM	2000 CFM
Airflow	Straight Through
Sound Level	65 dBA @ 5' (on high)
Cabinet Size	26"W x 28"T x 64"L
Cabinet Material	16 gauge Cold Rolled Steel
Cabinet Finish	White, Light Reflective Polyurethane
Motor	PSC Type 3/4 HP Direct Drive
Input Power	115V 60Hz 1PH
Running Amps	9.5A
Grille/Louver	4-Way Adjustable Blades/Fins
Hang Weight	522 lbs.
Warranty	2 Years

Options - WiFi/Modbus Smart Controls

**Noise level measured at typical operating speed*

Filter Stages

- 26" x 26" x 4" - 35% Efficient Pleated Pre-Filter
- (16) 7lb. Activated Carbon Canisters, **112 lbs. Total**
- 26" x 26" x 2" - 35% Efficient Pleated After-Filter

Features & Benefits

✓ Easy Installation (Pre-Installed Eye Bolts/115V Wall Plug, 5-15p)

✓ Minimal Maintenance (Long Filter Life, Hinged Door Filter Access, Filter Change Indicator)

Contact the Cannabis Air-Filtration Expert: Dan@CleanLeaf.com | 1-866-455-2135 Ext. 307

PER CLEANLEAF'S WEBSITE REGARDING THE USE OF CARBON FILTRATION:

"Carbon is the most effective and efficient odor eliminator because of its organic structure. Activated carbon, in particular, is porous. It is designed to capture contaminants such as VOCs that are responsible for odors of all kinds. As the carbon pores become saturated, the VOCs are neutralized - eliminating odor at the source.

This effectiveness is corroborated by industry experts. According to the Colorado Department of Public Health and Environment - Air Pollution Control Division, "Carbon filtration is currently the best control technology for reducing VOC emissions from cannabis facilities."

As further emphasized by Caitlin D. Naske, Lead Chemical Engineer at Dynamic Air Quality Solutions, "the predominant choice for odor control in many grow facilities is activated carbon filters." This preference is well-founded, as Robovent, an industry expert, expounds on the benefits of activated carbon: "Activated carbon is the most commonly used adsorbent material. This is a form of carbon that has been specially treated (activated) to increase the internal surface area of the material. Activated carbon contains millions of internal "micropores" that result in a structure that provides ~1,000 or more square meters of surface area per gram of material. Activated carbon is widely available, affordable, biologically inert and safe to handle and use. It is often called the "universal adsorbent" because it can adsorb virtually any vapor or gaseous contaminant and can adsorb and retain many different chemicals at the same time. It is especially effective for organic molecules and solvents. Unlike some adsorbent materials, it does not retain moisture. These properties have made activated carbon the material of choice for a wide range of adsorption applications."

[redacted]

ODOR CONTROL MECHANICAL TABLE

TARGET OF TEN AIR CHANGES PER HOUR (ACH) FOR EFFECTIVE ODOR CONTROL:

RM#	ROOM	AREA(SQ.FT.)	FORCED AIR CEILING HEIGHT(FT.)	ROOM AIR VOLUME(FT^3)	10 ACH CFM (VOL./6)	AIR PURIFIER CFM	ACTUAL ACH ((CFM TOTAL*60)/AIR VOLUME)	VENTILATION (OUTSIDE AIR SUPPLIED TO ROOM)
102	RETAIL SALES FLOOR	627	12	7524	1254	1360	10.8	146 CFM
107	PRODUCT STORAGE	149	12	1788	298	320	10.7	16 CFM
108	ORDER PROCESSING	144	12	1728	288	320	11.1	15 CFM

2022 CALIFORNIA MECHANICAL CODE TABLE 402.1 (EXCERPT)

MINIMUM VENITLATION RATES IN BREATHING ZONE [ASHRAE 62.1: TABLE 6.2.2.1]

TYPES OF USE	CFM/PERSON	CFM PER SQUARE FOOT OF CONDITIONED FLOOR AREA	OCCUPANT DENSITY/1000 SQ.FT.
RETAIL STORES	7.5 CFM	0.12	25

OUTSIDE AIR REQUIREMENTS

RM#	ROOMS	AREA(SQ.FT.)	CFM/SQ.FT.	OSA	O.D./1000	OCCUPANCY LOAD	CFM/PERSON	OCC. CFM	TOTAL CFM
100	ENTRY	219	0.12	26 CFM	25	3	7.5	25 CFM	52 CFM
101	RECEPTION	77	0.12	9 CFM	25	1	7.5	9 CFM	18 CFM
102	RETAIL SALES FLOOR	627	0.12	75 CFM	25	9	7.5	72 CFM	146 CFM
103	OFFICE	217	0.12	26 CFM	25	3	7.5	24 CFM	50 CFM
104	BREAK AREA	67	0.12	8 CFM	25	1	7.5	8 CFM	16 CFM
106	PRODUCT STORAGE	69	0.12	8 CFM	25	1	7.5	8 CFM	16 CFM
107	ORDER PROCESSING	65	0.12	8 CFM	25	1	7.5	7 CFM	15 CFM
			TOTALS:	50 CFM				47 CFM	97 CFM

E.1.B Parking Overflow Prevention

Our parking area will be situated to protect surrounding uses from adverse noise, light, and traffic impacts, and to protect the safety of visitors. To ensure that on-site parking and loading is adequate, we have performed a detailed analysis of local traffic and parking zoning requirements. The eight parking spaces included in our development will meet the mandated requirements and increase the number of onsite parking spaces, thereby improving the flow of traffic in the immediate area. Upon completion of our proposed construction, we will supplement the vehicular parking spaces with bicycle parking stalls to encourage alternative transportation methods for our customers. Most importantly, **our outdoor security guard will proactively deter guests from parking in an illegal or unsafe manner** and direct them to our parking area.

E.1.C Graffiti Removal & Anti-Littering Measures

Catalyst is a proud advocate for environmental preservation. Community cleanups are near and dear to our heart. Catalyst has executed numerous community beautification campaigns, such as re-plantings, graffiti removal, and beach and city cleanups. Our Company shall ensure outdoor trash receptacles shall be available near the entrances to and exits of the cannabis storefront retailer. Our site shall be continuously maintained in a safe, clean, and orderly condition with litter pick-up twice daily within 50 feet of our premises. **Litter pick-ups shall include inspections for graffiti, which shall be removed within 24 hours of detection.** As an extra deterrent against vandalism and criminal behavior, we will equip our facility perimeter with noise omitting "mosquitos" (high-pitch frequency devices). We plan to fence off our premises perimeter; we will upgrade the premises fencing by whatever means the City deems necessary to ensure our premises are fully secured.

"We take great pride in the reputation we have earned as a TRUE Catalyst for Change," Owner Elliot Lewis (above).

E.1.D Traffic, Light & Noise

Relevant Citations:

SMC § 5.04.040 General Noise Regulations
SMC § Chapter 13, Chapter 4 [re. Light Trespass]

Being courteous neighbors is a crucial aspect of our community integration efforts. We will avoid annoying or disturbing our neighbors and will observe a compliant ambient base noise level. Our Company will not create, maintain, or allow any sound on our property which causes the ambient sound level to exceed: (i) the allowable exterior sound level for a cumulative period of more than 15 minutes in any hour; (ii) the allowable exterior sound level plus five dBA for a cumulative period of more than 10 minutes in any hour; (iii) the allowable exterior sound level plus ten dBA for a cumulative period of 5 minutes in any hour; (iv) the allowable exterior sound level plus 15 dBA for a cumulative period of more than one minute in any hour; or (v) the allowable exterior sound level plus 20 dBA for one minute in any hour. **As a best practice, the sound level limit at Catalyst retailers is 65 dBA during the daytime and 55 dBA during the nighttime.** If any inappropriate sound level goes beyond the allotted time, security will work with the onsite manager to make sure the noise is discontinued or reduced to the allowable exterior and interior sound level. If our Company receives a complaint that is deemed outside of the parameters of the above, we will immediately address the problem within the hour.

TRAFFIC/LIGHT/NOISE SCHEMATIC

CATALYST

[redacted]

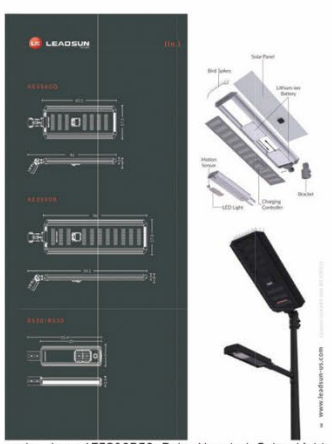
CATALYST LIGHTING PHOTOMETRIC PLAN

[redacted]

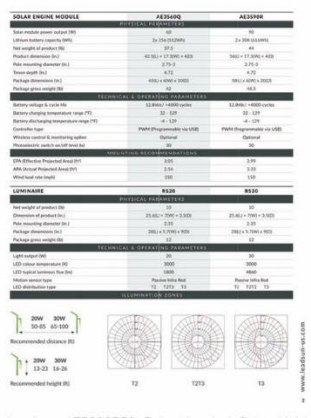
SITE LIGHTING FIXTURE SCHEDULE

ID	SYMBOL	MOUNTING	MANUFACTURER	CATALOG NUMBER	LAMP	TEMP	LUMENS	VOLTS	WATTS	QUANTITY	TOTAL WATTS
A	Ⓐ	POLE	LEADSUN	AE3S90R30	LED	3000	4860	120	0*(39)	6	0
B	Ⓑ	WALL	LITHONIA	DSX0 LED P2 30K 70CRI T3M EGS	LED	3000	2000	120	22	4	88
C	⊕	AWNING RECESSED	LITHONIA	LDN4 27/20 LO4	LED	2700	2000	120	22	6	132

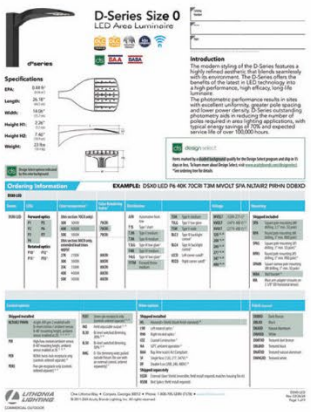
*LEADSUN FIXTURES ARE SOLAR POWERED WITH A BACK-UP BATTERY. LED OUTPUT IS 30W & ELECTRICAL LOAD ON PANEL IS ZERO.



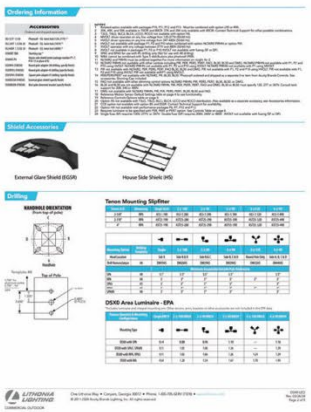
Ⓐ Leadsun AE3S90R30 Pole–Mounted Solar Light Fixture w/ Backup Battery & Motion Sensor



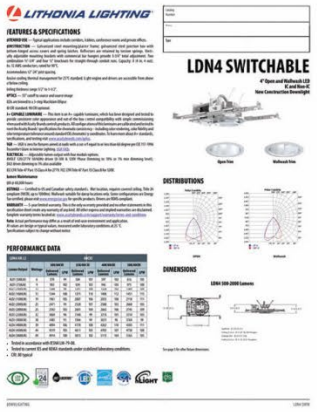
Ⓐ Leadsun AE3S90R30 Pole–Mounted Solar Light Fixture w/ Backup Battery & Motion Sensor



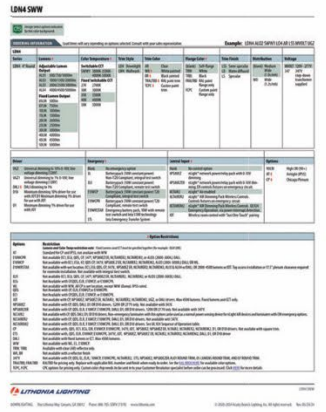
Ⓑ Lithonia DSX0 LED P2 30K 70CRI T3M EGS w/ Motion Sensor



Ⓑ Lithonia DSX0 LED P2 30K 70CRI T3M EGS w/ Motion Sensor



Ⓒ Lithonia LDN4 27/20 LO4 WL Wet Location Recessed Fixture



Ⓒ Lithonia LDN4 27/20 LO4 WL Wet Location Recessed Fixture

(i) Pedestrian Measures

"People Power" moves our mission! We will maintain laser focus on optimizing pedestrian traffic, and will provide numerous site amenities to encourage and sustain a high flow of foot traffic. Our walkways and seating areas have been designed to optimize the flow of foot traffic to surrounding businesses. Our Company will look to have all business-related pedestrian traffic fit inside the Lobby and Retail-Sales Floor. As seen in the adjacent diagram, we can seat up to four customers in the Lobby. As a best practice, we will have no more than three customers for every employee in the Retail Sales Floor, with fifteen customers being the maximum allowed given our five point-of-sale stations. In order to mitigate loitering and pedestrian overflow we will be offering express pick-up orders which will help keep the flow of pedestrian traffic running smoothly and efficiently. When we are operating at capacity and our waiting area is full, customers who wish to wait will provide us with their phone number and wait in their vehicle to be called when it is time for them to enter. Catalyst also provides bus pass incentives and bicycle parking for staff to encourage them to leave their personal vehicles at home.

E.1.E Site and Structural Accommodations Making us a Good Neighbor

(i) Storm Water Pollution Controls

Gray water, or water waste, which is generated from watering landscaping elements will be filtered, treated, and re-circulated for irrigation whenever possible. The water that is stored via this process will undergo a zero-waste process that includes filtration, reuse, and chemical filtering of unusable water; it will be used to water landscaping on the property and will not be directly released back into the sewer system. To prevent storm water pollution, our Company is likely to utilize a combination of swales, French drains, water retention gardens, and water collection/disposal systems.

(ii) Hazardous Material & Spill Containment

Our staff will be trained to understand the dangers associated with potentially hazardous materials. Although we will not utilize any hazardous materials or chemicals in our day-to-day operations, **we understand the nature and structure of a standard Material Safety Data Sheet**, and we will ensure that one is provided were any hazardous material or chemicals be stored or used on site. Cannabis waste will be quarantined and disposed of through our licensed third-party waste company, Mediwaste.

Our Company is committed to using "green" construction procedures, and to using recycled materials during construction and day-to-day operations whenever feasible. We will implement a combination of sediment control and good housekeeping practices to prevent the loss of soil through wind or water erosion. Good housekeeping practices shall further be employed to manage construction equipment, materials, and wastes, such as (i) hazardous materials handling and waste management; (ii) spill prevention and control measures; (iii) stabilization of construction entrances and exits to prevent tracking onto roadways; (iv) use of brooms and shovels to maintain a clean site instead of using a hose; and (v) regular cleaning of onsite parking lots, paved areas, and sidewalks in a manner that does not result in the discharge of pollutants into the stormwater system. Cannabis waste will be quarantined and disposed of through our licensed third-party waste company.

(iii) Loitering & Vandalism Deterrents

We have numerous loitering deterrents in place. First and foremost, we enforce a policy prohibiting loitering within 50 feet of the premises. To affect that, we post abundant signage and enact regular perimeter patrols. Our facility will be equipped with noise emitting "mosquitoes" and strategically placed lighting to deter loitering in corners and areas with low visibility. Our security team will also function as a crucial deterrent to loitering, vandalism and potential nuisances in our parking areas and surroundings. We further deter loitering with strategic lighting and our policies prohibiting oversale and onsite consumption of cannabis.

(iv) Signage Plan

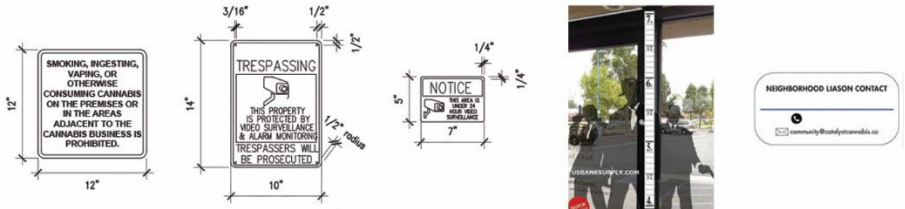
CATALYST

SIGNAGE PLAN

[redacted]

KEYNOTE SIGNAGE DETAILS

1-1/2" = 1'-0"



1 No Cannabis Use Sign
SCALE: 1 1/2" = 1'-0"

2 No Trespassing Sign / Camera Monitoring Sign
SCALE: 1 1/2" = 1'-0"

3 Camera Monitoring Sign
SCALE: 1 1/2" = 1'-0"

4 Height Gauge
SCALE: 1 1/2" = 1'-0"

5 Community Liason Sign
SCALE: 1 1/2" = 1'-0"

ON-SITE SIGNAGE PLAN:

1. PER CITY OF SANTEE MUNICIPAL CODE SECTION 7.04.340, NOTIFICATION SIGNAGE TO BE POSTED AT ENTRANCES, EXITS, PARKING LOTS, AND OTHER CONSPICUOUS AREAS.

THE 12"X12" SIGNS WILL READ AS FOLLOWS:

SMOKING, INGESTING, VAPING, OR OTHERWISE CONSUMING CANNABIS ON THE PREMISES OR IN THE AREAS ADJACENT TO THE CANNABIS BUSINESS IS PROHIBITED.

ADDITIONAL SIGNAGE:
THESE PREMISES ARE BEING DIGITALLY RECORDED; ALARM MONITORED - TO BE POSTED AT ALL ENTRY DOORS AND IN EACH ROOM WITHIN THE BUILDING.

COMMUNITY LIASON INCLUDING NAME / EMAIL / PHONE # - TO BE POSTED IN THE LOBBY.

(iv) Trash Collection and Disposal for Non-Cannabis Waste

Non-cannabis trash and recyclables will be maintained in a locked dumpster enclosure and picked up bi-weekly. Hazardous materials, as defined by Health and Safety Code section 25260, will not be stored, used, or disposed of at the project site. The project will not increase the generation or onsite storage of either (i) the quantity or type of solid waste as defined by Public Resources Code section 40191, or (ii) hazardous waste, as defined by Health and Safety Code section 25117. Cannabis waste will be disposed of off-site by a licensed cannabis waste hauler. **Trash enclosure gates** will be securely locked and maintained in working condition. The key shall only be made available to staff members during trash takeout. Trash enclosures shall be constructed of attractive masonry material compatible with our building. Non-cannabis trash collection will be contracted through the local provider. *Disposal* will occur bi-weekly (or as needed, or as requested by the City).

E.1.F Responding to Community Complaints

City Officials and City law enforcement and regulators will be invited to our cannabis business for regular updates and tours to ensure that our business is not vulnerable to break-in and that community residents are secure. Our onsite management and Liaison will represent us to discuss odor, noise, loitering, graffiti, light, public consumption, loitering, littering, waste, vehicle and pedestrian traffic, and other community issues pertaining to our business. Our team will uphold our pledge of being a proactive good neighbor in Santee.

(i) Community Relations Liaison

Damian Martin will serve as our Company's Liaison. He will participate in an ongoing dialogue with City Officials, City law enforcement, and regulators to ensure that there are no instances of concern and to develop our public education initiatives. Each Catalyst retailer has its own "Community Liaison." These individuals are specially selected for their suitability to represent us and relate meaningfully to their respective local populaces. Mr. Martin will educate and engage with the community and be the direct point of contact for any concerns that may arise regarding our operations.

Our Liaison will directly address complaints in a timely manner and will be responsible for spreading Catalyst's message of inclusion, activism and volunteerism to Santee. Catalyst's Community Liaisons exemplify our "Weed for the People" mission and values. Through our Liaison, we will promptly address any issues or complaints identified by our neighbors with forty-eight hours or as soon as is logistically possible, in the case of larger issues. As our Liaison, Mr. Martin will follow up with concerned community stakeholders and inform them when their feedback has been received. He will provide follow ups informing them of the procedures we employed or plan to employ in response to their concerns.

Community Meeting flyer sent to Catalyst Oxnard's neighboring residents and businesses.

(ii) Staff Complaint Response

Our team will be trained in how to detect, prevent, and remediate odors. Should complaints about

objectionable odors be received, the complaints will be recorded and staff will take the following steps: (i) investigate the likely source of the odor; (ii) utilize their training to resolve the odor event; (iii) take steps to reduce the source of objectionable odors; (iv) determine if the odor may have also traveled off-site by surveying the perimeter; and (v) document the event for further operational review. If staff are unable to take steps to reduce the odor-generating source, they will immediately notify the onsite manager, who implement create a proper solution. If necessary, we may re-engage a certified engineer to make recommendations for corrective odor actions. Many of our retailers reside in rented spaces; it is critical to understand the unique structural circumstances of each space, and to apply site-specific contingency plans.

(iii) Nuisance Report Documentation

An Incident Report Form (shown at right) will be readily available onsite, and will be provided to those who suspect there may be a nuisance onsite or an objectionable odor emanating from our premises. Our Company will maintain records of all odor detection notifications and incident complaints. These records will include the remediation measures employed and the perceived success of said measures.

CATALYST CARES

INCIDENT REPORT

NAME OF REPORTING PARTY: _____

PHONE NUMBER: _____

EMAIL ADDRESS: _____

DATE/TIME: _____

LOCATION OF INCIDENT: _____

DESCRIPTION OF INCIDENT: _____

_____

_____

DATE/TIME OF THIS NOTIFICATION: _____

NOTIFICATION METHOD: PHONE / EMAIL / ONLINE / IN-PERSON

ADMINISTRATIVE USE ONLY

Mitigation Response Taken: _____

Date/Time Measures Employed: _____

Were Mitigation Measures Successful? _____

Signature/Date/Time: _____

(iv) Receiving Complaints and Feedback via Social Media

We will offer various online options to submit real time feedback. As a best practice, we've learned that social media is a powerful communication tool, that both transmits and receives vital time-sensitive information. *Our Owners are real people. Owner Elliot Lewis very commonly personally responds to social media messages & comments* Some options for social media-based communications that we will offer at Catalyst Santee are:

- *Instagram Direct Message*
- *Facebook Messenger*
- *Twitter*
- *LinkedIn InMail*

(v) Community Hotline

Our Community Liaison's contact information shall serve as a hotline that will be available to residents and local businesses. This will empower our Liaison to promptly address issues and complaints identified by our neighbors. Our "Community Hotline" information is **Damian Martin, community@catalystcannabis.co (757) 652 - 0460**. This hotline will be posted onsite and provided to residents and businesses within 1,000 feet of our business and *will be on file with the City*. By putting a personal face on our business, we promote community solidarity; further, we believe community engagement and marketing are one and the same.

E.2 Youth Consumption Prevention Plan

Relevant Citations:

CCR Title 4 Division 19 §15040 [re. Age-Appropriate Advertising]
CCR Title 4 Division 19 §15041 [re. Website Age Verification]

Respecting our obligation to protect youth from undue exposure to cannabis is one of the most sacred commitments we make as retailers. As such, Our Company has many measures built into our corporate infrastructure to ensure respectful insulation from our community's youth. Protecting the youths of Santee will serve the needs of our customers and help us be a trusted member of the community.

One of the largest threats to youth safety as it pertains to cannabis is the illegal cannabis market. It is pervaded with untested, contaminated, and non-age restricted products. Unfortunately, they generally offer extremely low prices due to having significantly lower price margins than licensed businesses.

Each of Catalyst Santee's Owners is a parent and has a personal vested interest in ensuring that the legal cannabis market serves as a counterfoil against criminal activity that endangers young people. See the images below for examples of packaging imagery found in the unregulated and quasi-regulated ("delta 8" and "hemp") markets. **None of the below imagery meets our standards for compliance or taste.**

(i) Strict Adherence to ID Checking Protocol

Our Company will employ front-line identification checks immediately upon entry to the facility to ensure that no persons under the legal age limit gain access to any area in which cannabis products are visible. To further deter underage access, staff will be trained to diligently verify all forms of presented IDs. When checking an ID's validity, staff will carefully examine the photo shown on the ID, matching it to the person presenting the document. The prevention of underage cannabis access starts at our front door. Security Guards will be trained in how to spot an adulterated, compromised, or false identification document. Security Guards will provide guidance on ID authentication to Catalyst staff to ensure against underage cannabis exposure. Underage persons will not be allowed to remain onsite. Signs will be posted throughout our premises stating our policy prohibiting the purchase of cannabis products by underage persons.

(ii) Appropriate Packaging

All cannabis products sold at Catalyst Santee will be packaged in child resistant packaging. Child resistant "exit bags" will be used in the case that child resistant packaging does not meet the Company's internal standards for quality control as it pertains to child protection. All inventory products and exit packaging will be in full accordance with California State law. The following items are expressly prohibited and are in direct violation of our labeling policy:

- Cartoons
- Imagery imitating candy labeling
- Images popularly used to advertise to children
- Marketing the product as an alcoholic beverage
- Use of the words "candy," "candies" or variations such as "kandy" or "kandeez"
- For Edible Products: labels and packages must not include a picture of the product. Edibles must be in opaque packaging for child safety
- Images showing illegally used trademarked logos or brands, such as "Gorilla Glue" or "Girl Scout Cookies" are strictly prohibited

(iii) Strict Adherence to State Mandated Daily Purchase Limits

Our employees shall strictly adhere to State mandated cannabis daily purchase limits. In our effort to avoid youth exposure to cannabis, preventing oversale is crucial to passively preventing irresponsible cannabis sharing. Our POS system has a built-in calculation system that assesses the total amount of cannabis in each transaction; TREEZ will not allow the oversale of cannabis products within a transaction, or a day.

E.2.A Educating the Public on Youth Consumption Prohibitions

We will create a public awareness campaign for responsible cannabis consumption and youth consumption prevention. We will sponsor free on and off-site workshops and seminars for the general public on topics related to responsible cannabis use. Our Company will educate the public on the potential harms of cannabis consumption by youth, including identification of resources available for parents of youth that consume cannabis such as local youth rehabilitation services and local youth anti-drug programs.

Mindful Marketing: Age verification will be used in all forms of Our Company's marketing. We shall not advertise or market cannabis products on an advertising sign within 1,000 feet of a day care center, youth center, or school providing instruction in kindergarten or any grades 1 through 12.

- **All our advertising utilizes demographic age calculations** to ensure that a minimum of 71.6% of viewers will meet or exceed the minimum age requirement of twenty-one years per the California Code of Regulations Title 4 Division 19 § 15040(a)(1).
- **Age verification is required to access our website and online menu.**

#catalystforchange

COMMUNITY BENEFITS & INVESTMENT PLAN

Catalyst's mission and business model is "Weed for the People."

"Weed for the People" is an all-encompassing way of life for our Company, which reflects how Catalyst Santee will treat its customers, its employees, and the local community.

Our Community Benefits Plan represents Catalyst's message of togetherness, fairness, and humanity. Our humanity and desire to effect positive change propels us into new cities and towns to find "our people."

- ***For our customers***, "Weed for the People" means that our Company offers the best selection of cannabis products at the best prices in town.
- ***For our employees***, "Weed for the People" means that our Company operates under a comprehensive company-wide Global CBA and offers the cannabis industry's best wages, employee relations, and benefits. Our employees are actively engaged in the community, as firm believers in our "Weed for the People" mission.
- ***For the local community*****,** "Weed for the People" means that Catalyst is committed to being fully engaged and integrated with its neighbors and neighboring businesses, and to providing conservational efforts, employment opportunities, and financial donations to the community.

In other words, "Weed for the People" means that our Company and its mission are much bigger than simply being a business motivated by a drive for profit; we will strive to be a force for good for all the People of Santee.

Our Company considers the City and local community to be partners in our business.

F.1 Benefits Provided to the Local Community - Catalyst Cares

Relevant Citations:

SMC § 7.04.110 Community Benefits (et. seq.)
California Senate Bill 34 ("SB34")
California State Senate Bill 420 ("SB420")
B&P Code Chapter 26(a) of Division 10, Medicinal Cannabis Patients' Right of Access Act

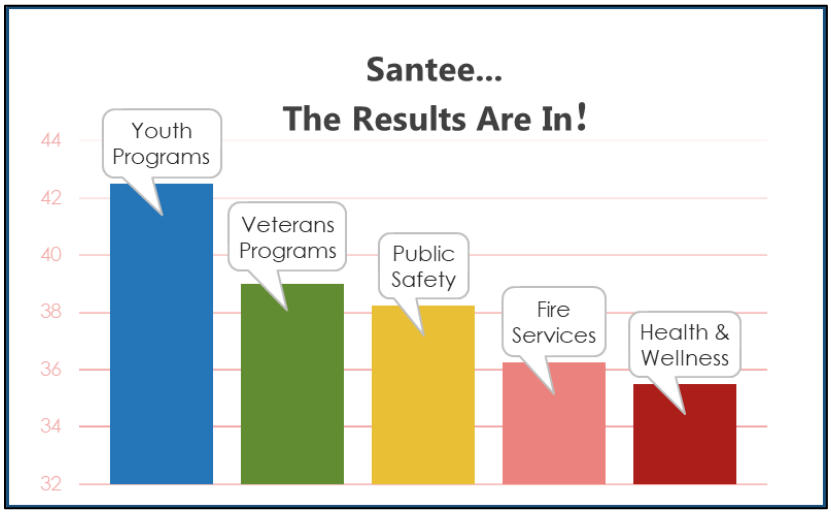
Community engagement is our brand. We consistently represent ourselves as a positive **#catalystforchange** within our local communities and within the cannabis industry. "Catalyst Cares" is the community engagement arm of our Company. Catalyst Cares exemplifies our **#weedforthepeople** mission and business model. Catalyst's founders created "Catalyst Cares" to ensure that Catalyst's voice is used for good and that our power in the cannabis industry is used to hold space for those that have been systematically excluded from participating in its growth and prosperity.

Catalyst promotes *and lives* a culture of volunteerism. Catalyst Cares conducts local good works initiatives throughout the Catalyst retail footprint. Using this grassroots outreach, we have direct access to local issues and current events in each of our respective cities of operation. Staying closely in touch with our communities is a top priority for us, and it is crucial to the Weed for the People movement & virtuous cycle. Here are just a few of our community partnerships *in other cities:*

- Music Changing Lives
- Vitalant Blood Bank
- Lifestream Blood Bank
- Riverside Latino Network
- Bordando Nuestras Raices
- Weed For Warriors (SB34)
- Ronald McDonald House
- Miller Children's Hospital
- Golden State Opportunity
- California Youth Karate Center
- South Bay Workforce Investment Board
- Dignity & Power Now Expungements
- Inland Empire Community Foundation
- Monterey County Cannabis Education Program

The Catalyst Cares team spearheads our many philanthropic projects. We commit to being good corporate citizens by not only monetarily investing in our communities but also by actively educating and beautifying every community we are in. We regularly conduct community-specific outreach events. We feel strongly about supporting our foundational causes, so we cyclically conduct *specific* events to maintain a consistent drumbeat of intention. The Catalyst Cares team organizes a steady calendar flow of community betterment projects such as, re-plantings, graffiti removal, cannabis policy initiative canvassing, Senior Education, food drives, toy drives, book drives, blood drives, clothing drives, elementary backpack drives, necessities drives (e.g. hygiene and feminine products), Christmas tree drives, car shows, and urban cleanups. The list goes on and on; the footprint of our good works never stops growing! Check out the Catalyst Cares website by following the QR code at left or clicking **here**.

So, what is next for Catalyst Cares in Santee? Engagement with local non-profits is a critical component of our Community Benefits and Investment Plan. Consistent with our desire to be fully integrated with the community, we surveyed residents and surrounding businesses to introduce the local community to our Company and to help determine how to best allocate Catalyst Santee's community benefits. We asked people: *what improvements would you like to see take place in your community?*



*Owner Damian Martin & the Catalyst Cares Team at the Fontana Ronald McDonald House **Walk For Kids**, 2023*

All told, we received 69 survey responses. The responses showed strong support for our proposed retailer in South Santee. Our survey revealed which community issues the locals would like to see receive support from Catalyst Santee. The community will have peace of mind knowing they are patronizing a business that supports important community organizations and socially conscious causes. We received an incredible 53 support letters from community members… all told, over 75% of the citizens we spoke to *at random* were prepared to personally support us with a letter of recommendation! Please see the end of this section for selected neighbors' letters of support.

(i) Our Annual Monetary Commitment $100,000

Consistent with our "Weed for the People" mission, Catalyst Santee pledges to voluntarily provide local community organizations funds in the amount of $100,000 per year, commencing within sixty days of becoming operational. These community benefit partners will be finalized using our community survey and the guidance of the City Manager and/or the Director of Development Services. Our annual monetary Community Benefits provision will be made by directly aiding, participating in, or funding the work of local non-profits, community-based organizations, civic organizations, and social services organizations.

(ii) Putting Our Commitments in Writing

Respective of SMC § 7.04.110, Catalyst Santee will sign an official Community Benefits Agreement memorializing (i) our annual monetary commitment of $100,000 and our community partner beneficiaries; and (ii) our annual 6% direct community benefit fee to be paid to the city.

F.1.A Community Events at Catalyst Santee

We think of ourselves as community stakeholders, not community shareholders. We take a boots-on-the-ground approach to empowering our communities. That starts with our hiring practices and spreads through our community via our good works. The positive effects of Catalyst Santee's operations will be felt well beyond the cannabis-using community of Santee. Just a few examples of our companywide efforts to enrich and equalize

the cannabis industry that we plan to mobilize at Catalyst Santee are our (i) **expungement clinics;** (ii) **social equity incubator program;** (iii) **public outreach campaign;** and (iv) our quarterly **public education open houses**. Our outreach mission is to destigmatize cannabis use through education and good works. This is crucial to earning the trust of other community stakeholders.

(i) Quarterly Blood Drives

Many of our cannabis industry compatriots step up to answer the call when Catalyst Cares is rallying to a cause. Catalyst Cares hosts a quarterly blood drive in partnership with LifeStream Blood Bank. Via joint social media marketing campaigns, LifeStream and Catalyst spread awareness of our ongoing campaign and break the stigma that cannabis users cannot donate blood. Together with our cannabis industry allies, we are educating the community and saving lives. *Each person that donates a pint of blood can save three lives.* In both 2022 and 2023, Catalyst was the largest donor in the LifeStream network. We **#bleedforthepeople**.

(ii) Food Drives

During holiday seasons and scheduled quarterly events, Catalyst Cares hosts canned food drives and distributes fresh food to citizens in need. Canned food is donated from collections occurring at our Catalyst retailers. Catalyst Santee will participate in these food drive initiatives, designating local recipients using input from the City.

(iii) Medical Cannabis Discounts

In addition to our "Fire Weed at Fire Prices" commitment, Catalyst will offer financial assistance in the way of discounts to many socioeconomically disadvantaged groups, such as the disabled and Social Security recipients. To discount purchases for qualified medicinal cannabis users, we will offer to either (i) discount their purchase by approximately 10%, in the case that they possess a doctor's recommendation for cannabis but do not have an MMIC; or (ii) waive the applicable Sales and Use taxes for those with a valid MMIC. To ensure patients are aware of their right to purchase larger quantities of cannabis products, we proactively offer them larger product quantities (which tend to have lower by-weight pricing, even before discounting).

(iv) Environmental Initiatives

Catalyst retailers host environmental initiatives which are specific to the needs of their communities. In addition to cleaning up our neighborhoods, we have executed cleanups at parks, beaches, murals, & more. Catalyst Cares has collected over 1,000 pounds of trash across our expanding footprint.

(v) Senate Bill 34 and our "SB34 Events"

Senate Bill 34 is otherwise known as the Dennis Peron and Brownie Mary Act. SB34 was passed to allow medical cannabis patients with a valid medical cannabis recommendation or MMIC to receive free medical cannabis. The practice of providing compassionate-use cannabis donations was endangered by the passing of 2016's Proposition 64, and the subsequent passage of MAUCRSA in 2017. Historically, compassionate-use cannabis is not only an intrinsic part of cannabis culture, but it is also the very principle on which the entire cannabis legalization movement was built. When California passed the 1996 bill decriminalizing cannabis for medicinal patients the first domino fell, moving the country slowly towards federal cannabis legalization.

"Weed for Warriors" is an activist group representing the interests of disabled veterans. The SB34 initiative was spearheaded by the Weed for Warriors Project; helping realign California's cannabis policy with its original spirit and intent. Catalyst partners with Weed for Warriors for all our SB34 events. Veteran's causes are near and dear to our Company. Owner Damian Martin is a veteran having served six years as an Intelligence Specialist in the U.S. Navy before eventually going to law school using the G.I. Bill.

SB34 giveaways would not be possible without our large network of industry allies. We receive donated goods from our manufacturers which we in turn donate directly to qualifying customers. SB34 giveaways are a prime example of how the **#weedforthepeople** mission is brought to life by building on friendships and positive action. Since 2021 we've hosted over twenty SB34 giveaways!

(vi) Public Education Initiatives - Boots on the Ground Information for the Santee Community

Public education sessions will be held onsite quarterly, and hosted by either the General Manager, our Liaison, or our Catalyst Cares Team. During these "open houses" members of the public will be invited to visit our premises and have access to live education and Q&A sessions in our lobby.

F.2 Employee Minimum Wage - Living Wage

Personnel	Hourly Rate	Benefits	Annual Pay*
LLC Manager	0	0	N/A - Owner
Attorney & Liaison	0	0	N/A - Owner
General Manager	-	$6,300	$75,000
Asst. General Manager	-	$6,300	$66,560
Team Lead	$20	$6,300	$48,040
Front Desk	$19	$6,300	$45,953
Sales Representatives	$18	$6,300	$43,866

**"Annual Pay" includes benefits but excludes tips*

The lowest starting wage of any staff member at Catalyst Santee will be 21.01 hourly, inclusive of benefits but excluding tips. The annual salaries shown here are based on a 2,087 hour work-year. Please see the City of San Diego's definition of a "*living wage rate*" at this link.

F.3 Local Hiring Commitment - Bringing the Mission to Santee

Hiring local pays off. We proudly support our local communities by hiring local employees and paying a "living wage." Our policy will be to maximize hiring employees that are either from Santee, are veterans, or are from disadvantaged backgrounds. We will also seek to utilize professional services within the local area to stimulate all sectors of business, from physical construction to professional services. Accordingly, our Company will

Long Beach Job Fair Flyer

commit to having (i) at least 50% of all our employees reside in Santee and at least 50% total annual payroll hours are from employees residing in Santee AND (ii) to prioritize the hiring of employees who are veterans or from disadvantaged backgrounds.

Our Company will take an all-inclusive approach to hiring. For our Company, this is a two-fold process. Primarily, residents of Santee will be targeted with job offers and postings. This means, rather than using traditional job-posting media such Indeed, Glassdoor, or other mainstream internet websites, going directly to local publications targeted towards Santee residents. As an additional means of targeting our immediate neighbors, we will post flyers outside our premises a few months prior to opening with a link to all jobs that are available.

To promote workforce diversity, management will work closely with local veterans groups and other community organizations. We will engage with local colleges on community engagement and hiring initiatives. Recognizing that job interviewing is a specific skill, our Company will collaborate with its community engagement partners to provide interview training to veterans and persons from disadvantaged backgrounds *before interviewing*.

To show the good faith effort to hiring 50% of employees from Santee, we will document the following: (1) Records of emails reaching out to community members and organizations; (2) printed job flyers and a list of addresses where flyers were posted or dropped off; (3) links to localized online job postings; (4) proof of attending local job fairs; and (5) demographic data on targeted audiences and applicants. In addition, our Company will keep track of job applications that were submitted to our Company, including an indication of whether the applicants were residents of Santee.

Job Fairs for the People! We will coordinate with the City to host a local "Cannabis Job Fair" to commence our hiring initiative in Santee. In-person job fairs have shown to be the #1 most effective way to garner local workforce support. After hosting our Job Fair, we will look to the more traditional job platforms such as Indeed and ZipRecruiter. We will collaborate with the City on an ongoing basis to determine other ways to attract employees that are Santee residents.

Oxnard Job Fair Flyer

F.4 Direct Community Benefits Fee

Our Community Benefits and Investment Plan will also include a direct fee that will be offered to the City, equal to **6% of annual gross receipts**. We will voluntarily remit this Community Benefit Fee to the City, until such time as the City enacts a local cannabis tax.

City of Santee

Santee Commercial Cannabis Business
Application

10601 Magnolia Ave.

Santee, CA 92071

To Whom It May Concern:

I support Catalyst-Santee LLC and their business to operate a cannabis storefront retailer.

As a resident of Santee, I believe we have a real opportunity to uplift and develop our neighborhood. We've seen the positive impact Catalyst has had in other cities, and we deserve that too. Their storefront retailer will bring numerous Union job opportunities with medical and vision benefits and living wages for Santee residents. In addition, Catalyst-Santee LLC's storefront retailer will have security personnel and 24-hour security cameras that will bring an increased level of public safety to our neighborhood.

For all these reasons, I ask that you strongly consider approving Catalyst-Santee LLC's storefront retailer license.

Sincerely,

Name: Angie Stills

Signature: [illegible] Date: 9/28/24

Address: [redacted]

City of Santee

Santee Commercial Cannabis Business
Application

10601 Magnolia Ave.

Santee, CA 92071

To Whom It May Concern:

As a local of Santee and member of the community, I would like to express my support for Catalyst-Santee LLC and their business permit application to operate a cannabis storefront retailer.

I believe the addition of a legal and compliant cannabis retail store will bring numerous benefits to our community. During recent times, several local businesses have closed or have been forced to lay off employees. This store opening will bring numerous job opportunities with medical and vision benefits and living wages to Santee residents. It is important that the city supports good-paying jobs, especially during this time. In addition, the Catalyst-Santee LLC storefront retailer will have security personnel and 24-hour security cameras that will bring an increased level of public safety to our neighborhood.

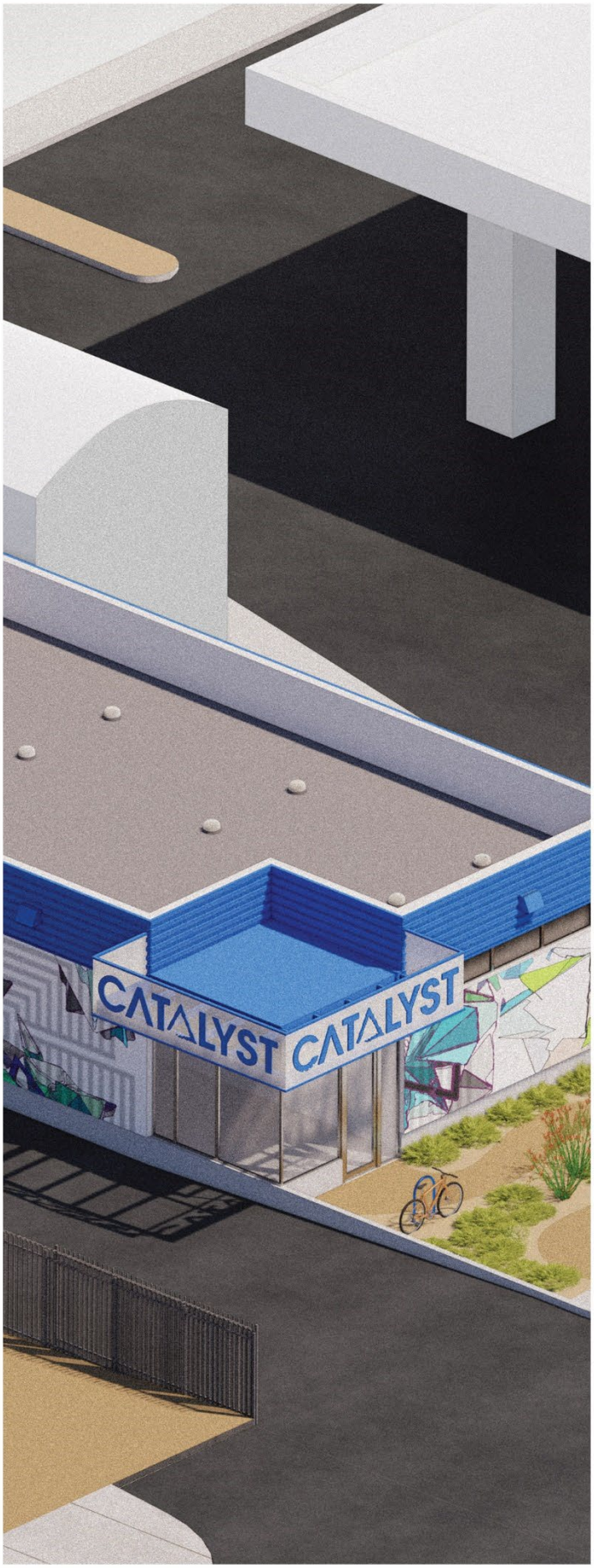
Catalyst-Santee LLC has applied for a cannabis retailer in our city, and I respectfully ask that you strongly consider their application.

Sincerely,

Name: Angel Ramos

Signature: ANGEL RAMOS Date: 9/29/24

Address: [redacted]



PROPOSED SITE PLAN

Within the cannabis industry, modern cannabis users have now had access to legal products and stores for up to 20 years in some cities; accordingly, customers are developing heightened experiential standards.

We are here to deliver on those expectations.

Catalyst development projects are executed quickly and efficiently. Having successfully executed dozens of cannabis retail buildouts, we know what we're doing.

Come feel at home with us!

Welcome to 8625 Cuyamaca St. You've arrived at Catalyst Santee, your new neighborhood pitstop for cannabis supplies. Come get to know us, you'll fit right in.

The "Catalyst" business name reflects the exciting and electric vibe associated with the cannabis movement. While Catalyst embodies the spirit of change and therefore is a dynamic and active brand, we recognize that cannabis users more often than not utilize cannabis for restorative and relaxing effects. As such, we have planned diverse experiential options for our patrons.

- ***Comfortable Seating Areas***
- ***Educational Features***
- ***Art Installations***

Our aim is to make our guests feel like part of our movement. We maintain rigorous branding and design consistency throughout the Catalyst retail chain so that our customers can walk in and feel right at home at any Catalyst store.

Our carefully curated retailer premises will have a unified design theme focusing on crisp white contrasted with deep blue, much like the page you are reading now.

G.1 Existing Site

***G.1.A 8625 Cuyamaca St, Santee CA, 92071* (APN 384-161-24-00) is our proposed premises.**

G.1.B Existing Site Description

Our proposed site at 8625 Cuyamaca lies near the intersection of two busy mixed-use thoroughfares; it is in the **Northeast quadrant of the Prospect Avenue and Cuyamaca Street intersection** in a large commercial business area. Our lot has a paved asphalt exterior. It has a smoothly paved pedestrian sidewalk, and it is well lit by public lighting fixtures. *The existing driveway is not wide enough to meet SMC standards and the current parking accommodations are nonconforming*; we plan to bring this property into full code compliance and improve our site to the full satisfaction of the City. 8625 Cuyamaca is highly suitable to operate a cannabis retailer. *Our existing site features:*

- Six parking spaces
- 900' Buffered from Sensitive Uses
- Immediate freeway access
- Ample "Average Daily Traffic"
- Proximity to commercial centers
- Ideally zoned "GC"
- Positioned near residential zones, to conveniently & safely fulfill people's cannabis needs

G.1.C Existing Site Photographs

For comprehensive photographs of 8625 Cuyamaca, please see our full Plan Set in subsection G.2.A.

G.1.D Current Site Usage

The existing use at our proposed premises is "Automotive Repair." There is currently an automotive repair business called "Ban's Auto Repair" in operation there, which intends to relocate upon our license approval.

G.1.E Existing Businesses Onsite

There are six businesses currently in operation on (or adjacent to) our proposed premises.

- Ban's Auto Repair, 8625 Cuyamaca St
- Soapy Joe's Car Wash, 8617 Cuyamaca St
- C'Est La Vie 9830 Prospect Ave Ste C
- Jamar Power Systems, 9830 Prospect Ave Ste D
- Santee Physical Therapy, 9830 Prospect Ave Ste A
- Crossman Landscape, Inc., 9822 Prospect Ave

G.2 Proposed Site Improvements

Our Brand is Our Power. The Catalyst brand is now a force in its own right, and to take advantage of our own momentum, we use simple, concise, logo-strong branding to succinctly identify ourselves. We represent ourselves visually in the same clean and professional way we operate. Our triangular "delta" logo and our blue and white branding colors will be prevalent throughout Catalyst Santee, just as they are in all our Catalyst retailers. We brand ourselves with consistency and clarity to ensure that our customers enter with a feeling of familiarity and trust. Clean open spaces and dramatic design elements are a recurring theme of Catalyst's branding. **We go BIG.**

G.2.A Site Plan & Plan Set

The quality of our Plan Set demonstrates the high standards with which we execute construction projects. As Plan Sets are highly technical, the following list will guide you to some important items.

- ✓ Site Plan
- ✓ Floor Plan
- ✓ Parking
- ✓ Security Layout
- ✓ Emergency Plans
- ✓ Signage
- ✓ **CleanLeaf** Filter Schematic
- ✓ DCC Premise Diagram
- ✓ Landscaping

APPLICATION SET FOR CATALYST - SANTEE L.L.C (RETAIL CANNABIS)

8625 CUYAMACA STREET,
SANTEE, CA 92071

NEW CANNABIS RETAIL FACILITY

SHEET LIST TABLE

ARCHITECTURAL

SHEET NUMBER	SHEET TITLE
T1-0	TITLE SHEET
T1-1	VICINITY MAP (8.5" X 11")
A1-0	EXISTING SITE PLAN
A2-0	EXISTING EXTERIOR PHOTOS
A2-1	EXISTING INTERIOR PHOTOS
A3-0	PROPOSED SITE PLAN (PREMISES DIAGRAM)
A4-0	PROPOSED FLOOR PLAN (PREMISES DIAGRAM)
SC-01	SECURITY PLAN (PREMISES DIAGRAM)
A5-0	EXTERIOR RENDERINGS
A5-1	INTERIOR RENDERINGS
A5-2	INTERIOR RENDERINGS
A6-0	SAFETY PREMISES PLAN (FIRE LIFE SAFETY)
FA-01	FIRE ALARM (SAFETY PLAN)
A7-0	NEIGHBORHOOD COMPATIBILITY SCHEMATIC (ON-SITE WASTE MITIGATION PLAN)
A7-1	NEIGHBORHOOD COMPATIBILITY SCHEMATIC (ON-SITE ODOR MITIGATION PLAN)
A7-2	NEIGHBORHOOD COMPATIBILITY SCHEMATIC (ON SITE SIGNAGE PLAN)
A7-3	NEIGHBORHOOD COMPATIBILITY SCHEMATIC (ON SITE SECURITY/TRAFFIC)
A7-4	EXTERIOR PHOTOMETRIC PLAN (SAFETY PLAN)

ZONING CODE ANALYSIS

APN	384-161-24-00
ZONING	GC
LAND USE	GENERAL COMMERCIAL
PROPERTY TYPE	COMMERCIAL/INDUSTRIAL
LOT AREA	12,037 SQFT

BUILDING CODE ANALYSIS

CONSTRUCTION TYPE	TYPE V-B
ALLOWABLE # OF STORIES	1
ALLOWABLE BUILDING HEIGHT	40'-0"
EXISTING OCCUPANCY TYPE	S-1
EXISTING USE	AUTOMOTIVE REPAIR
EXISTING BUILDING AREA	2,704 SQFT
ACTUAL # OF STORIES	1
ACTUAL BUILDING HEIGHT	12'-4"
PROPOSED USE	RETAIL
PROPOSED BUILDING AREA	2,000 SQFT.
FIRE SPRINKLERS	NO
FIRE MONITORING	NO

DELTA
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Est. 1971
CSLB# 495226
Exp. 7/31/24
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2325 San Fernando Rd.
Los Angeles, CA 90065
Web-deltaec.com
Phone 626-302-0467
Email: aaron@deltaec.com

Digital stamp and signature:

LICENSED ARCHITECT
ANTONY UNRUH
C-26012
8/25
RENEWAL DATE
STATE OF CALIFORNIA

Application Set for Catalyst - Santee L.L.C.

8625 Cuyamaca Street, Santee, CA 92071

Date: 10/21/2024

Project No.: 2426

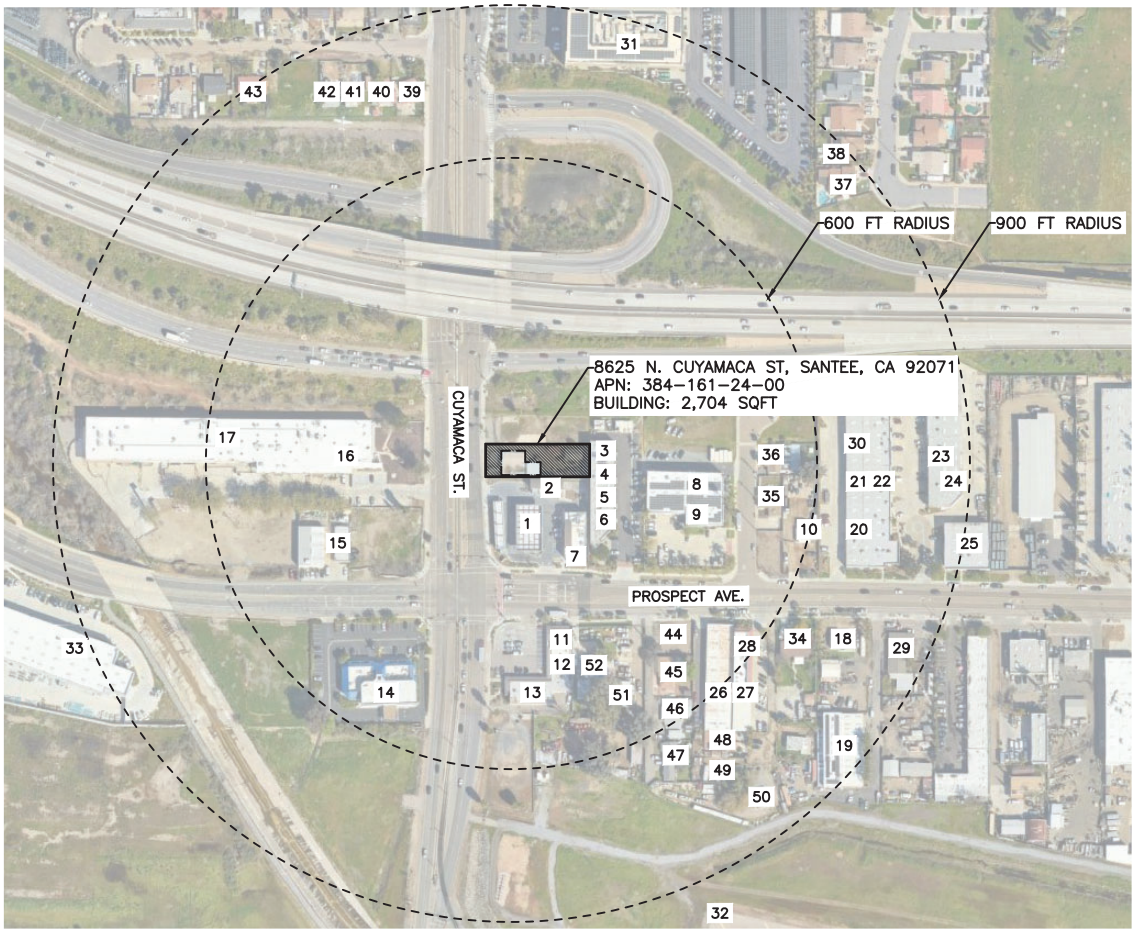
T1-0

VICINITY MAP FOR CATALYST - SANTEE L.L.C. dba CATALYST (RETAIL CANNABIS)

VICINITY MAP FOR A CANNABIS RETAIL FACILITY

8625 North Cuyamaca Street, Santee, CA,92071

	TYPE	ADDRESS	OWNER
1	COMMERCIAL BUILDING	8617 Cuyamaca St	Soapy Joe's Car Wash
2	COMMERCIAL BUILDING	8617 Cuyamaca St	Amazon
3	COMMERCIAL BUILDING	9830 Prospect Ave	Jamar Power Systems
4	COMMERCIAL BUILDING	9830 Prospect Ave	C'Est La Vie
5	COMMERCIAL BUILDING	9830 Prospect Ave	Skin Care by Cindy
6	INDUSTRIAL BUILDING	9932 Prospect Ave STE 137	Blair Sign Programs
7	COMMERCIAL BUILDING	9822 Prospect Ave	Crossman Landscape, Inc.
8	INDUSTRIAL BUILDING	9840 Prospect Ave Suite 218	Alex & Sons Chimney Repair
9	INDUSTRIAL BUILDING	9840 Prospect Ave	East County Volleyball Academy
10	INDUSTRIAL BUILDING	9908 Prospect Ave	Diamond Pacific Demolition
11	INDUSTRIAL BUILDING	9805 Prospect Ave	HD Barbershop
12	INDUSTRIAL BUILDING	9805 Prospect Ave	HAVANA CIGARS
13	COMMERCIAL BUILDING	9805 Prospect Ave	7-Eleven
14	COMMERCIAL BUILDING	9745 Prospect Ave Suite 100	Concentra Urgent Care
15	COMMERCIAL BUILDING	9746 Prospect Ave	Ralls Precision Machine, Inc.
16	INDUSTRIAL BUILDING	8616 Cuyamaca St	Union Pipe Trades Training Center
17	INDUSTRIAL BUILDING	8616 Cuyamaca St STE 103	Stevens Worldwide Van Lines
18	INDUSTRIAL BUILDING	9915 Prospect Ave	Barrack-Nickols Contracting
19	INDUSTRIAL BUILDING	9919 Prospect Ave	RB Industries
20	INDUSTRIAL BUILDING	9920 Prospect Ave Ste. 112	Art Mosaic Inc
21	INDUSTRIAL BUILDING	9920 Prospect Ave # 104	Ahlee Backflow Enterprises
22	INDUSTRIAL BUILDING	9920 Prospect Ave # 106	Watts Engineering
23	INDUSTRIAL BUILDING	9932 Prospect Ave STE 136, Santee, CA 92071	Baklava King
24	INDUSTRIAL BUILDING	9932 Prospect Ave #142, Santee, CA 92071	FFC Framing
25	INDUSTRIAL BUILDING	9944 Prospect Ave, Santee, CA 92071	EmpireWorks Reconstruction and Painting
26	INDUSTRIAL BUILDING	9851 Prospect Ave Suit #A, Santee, CA 92071	Bumper xpert
27	INDUSTRIAL BUILDING	9855 Prospect Ave suite d, Santee, CA 92071	Business & Contractors Insurance
28	INDUSTRIAL BUILDING	9855 Prospect Ave	Integrity Commercial Flooring
29	COMMERCIAL BUILDING	9925 Prospect Ave	Southern Ca Equipment Sales
30	INDUSTRIAL BUILDING	9920 Prospect Ave Suite 111	Advertising Edge Inc.
31	COMMERCIAL BUILDING	8701 Cuyamaca St	Sharp Rees-Stealy Santee Pharmacy
32	INDUSTRIAL BUILDING	1960 Joe Crosson Dr, El Cajon	Gillespie Field
33	INDUSTRIAL BUILDING	9702 Prospect Ave.	N/A
34	COMMERCIAL BUILDING	9905 Prospect Ave	Santee Family Counseling Center
35	RESIDENTIAL	8619 Hacienda Rd.	
36	RESIDENTIAL	8627 Hacienda Rd.	
37	RESIDENTIAL	8724 Summercrest Ln	
38	RESIDENTIAL	8728 Summercrest Ln	
39	RESIDENTIAL	8730 Cuyamaca St	
40	RESIDENTIAL	9755 Airport Vista Rd	
41	RESIDENTIAL	9745 Airport Vista Rd	
42	RESIDENTIAL	9740 Airport Vista Rd	
43	RESIDENTIAL	9731 Airport Vista Rd	
44	RESIDENTIAL	8565 Paseo Dr	Empty Lot
45	RESIDENTIAL	8557 Paseo Dr	
46	RESIDENTIAL	8549 Paseo Dr	
47	RESIDENTIAL	8541 Paseo Dr	
48	RESIDENTIAL	8546 Paseo Dr	
49	RESIDENTIAL	8538 Paseo Dr	
50	RESIDENTIAL	8571 Paseo Dr	
51	RESIDENTIAL	9835 Paseo Dr	
52	RESIDENTIAL	9825 Paseo Dr	



	TYPE	ADDRESS	NAME	DISTANCE
1	NEAREST (PUBLIC) SCHOOL	9303 Prospect Ave, Santee, CA 92071	PRIDE Academy at Prospect Avenue	0.8 MILES
2	NEAREST (PUBLIC) DAYCARE	9841 Mission Vega Rd UNIT 3, Santee, CA 92071	Lulu's Day Care	0.6 MILES
3	NEAREST (PUBLIC) CHURCH	10217 Buena Vista Ave C, Santee, CA 92071	Grace Church	0.8 MILES
4	NEAREST (PUBLIC) YOUTH CENTER	8820 Tamberly Way, Santee, CA 92071	Boys & Girls Clubs of East County Santee Clubhouse	0.8 MILES
5	NEAREST (PRIVATE) YOUTH CENTER	9840 Prospect Ave, Santee, CA 92071	East County Volleyball Academy	0.2 MILES

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Web: deltaec.com
Phone 916-302-0467
Email: aaron@deltaec.com

Digital stamp and signature:

LICENSED ARCHITECT ANTONY UNRUH C-26012 RENEWAL DATE 8/25 STATE OF CALIFORNIA

Application Set for Catalyst - Santee L.L.C.

8625 Cuyamaca Street, Santee, CA 92071

Date: 10/21/2024

Project No.: 2426

T1-1

[redacted]

SITE PLAN - EXISTING

1/8" = 1'-0"

1
A1-0

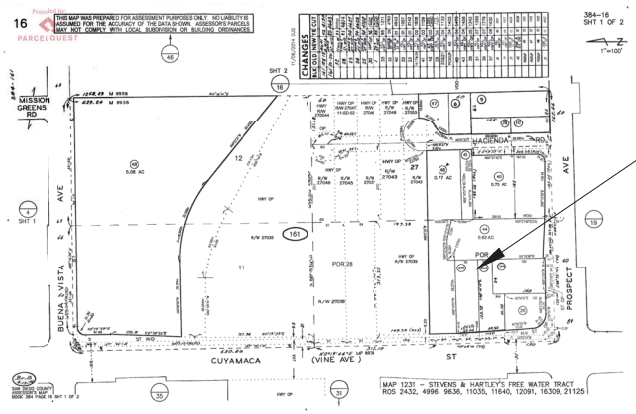
NORTH

ZONING CODE ANALYSIS

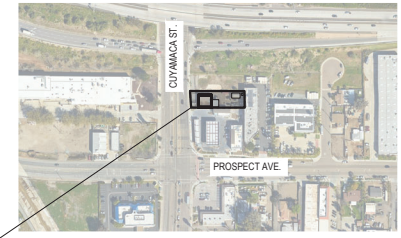
APN	384-161-24-00
ZONING	GC
LAND USE	GENERAL COMMERCIAL
PROPERTY TYPE	COMMERCIAL/INDUSTRIAL
LOT AREA	12,037 SQFT

BUILDING CODE ANALYSIS

CONSTRUCTION TYPE	TYPE V-B
ALLOWABLE # OF STORIES	1
ALLOWABLE BUILDING HEIGHT	40'-0"
EXISTING OCCUPANCY TYPE	S-1
EXISTING USE	AUTOMOTIVE REPAIR
EXISTING BUILDING AREA	2,704 SQFT
ACTUAL # OF STORIES	1
ACTUAL BUILDING HEIGHT	12'-4"
PROPOSED USE	RETAIL
PROPOSED BUILDING AREA	2,000 SQFT.
FIRE SPRINKLERS	NO
FIRE MONITORING	NO



PLOT MAPS



LEGEND

- PROPERTY LINE
- PREMISES BOUNDARY
- EXISTING BUILDING FOOTPRINT
- NOT A PART OF THIS SCOPE OF WORK
- EXISTING WINDOWS

KEYNOTES

1. (E) STORM DRAIN.
2. (E) POLE MOUNTED ACCESSIBLE PARKING SIGN.
3. (E) ACCESSIBILITY PARKING STALL.
4. (E) ACCESSIBILITY PARKING SYMBOL.
5. (E) ACCESS AISLE.
6. (E) WHEEL STOP.
7. (E) PARKING STRIPING.
8. (E) SHED.

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A1-0

EXISTING BUILDING EXTERIOR PHOTO - WEST

EXISTING BUILDING EXTERIOR PHOTO - NORTH BACK

EXISTING BUILDING EXTERIOR PHOTO - NORTH WEST CORNER

EXISTING BUILDING EXTERIOR PHOTO - EAST

EXISTING BUILDING EXTERIOR PHOTO - NORTH

EXISTING BUILDING EXTERIOR PHOTO - BACKYARD

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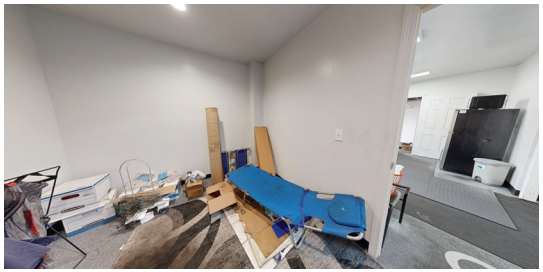
A2-0

EXISTING BUILDING INTERIOR PHOTO - WAITING ROOM

EXISTING BUILDING INTERIOR PHOTO - RECEPTION ROOM

EXISTING BUILDING INTERIOR PHOTO - HALL WAY TO BACK

EXISTING BUILDING INTERIOR PHOTO - OFFICE AT BACK



EXISTING BUILDING INTERIOR PHOTO - STORAGE ROOM

EXISTING BUILDING INTERIOR PHOTO - RESTROOM

EXISTING BUILDING INTERIOR PHOTO - AUTO SHOP

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Date: 10/21/2024

Project No.: 2426

A2-1

EXTERIOR STOREFRONT - EAST VIEW RENDER

EXTERIOR BACK OF STOREFRONT - WEST VIEW RENDER

EXTERIOR STOREFRONT - SITE CONTEXT

EXTERIOR STOREFRONT - AERIAL SITE VIEW

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8625 Cuyamaca Street, Santee, CA 92071

Date: 10/21/2024

Project No.: 2426

A5-0

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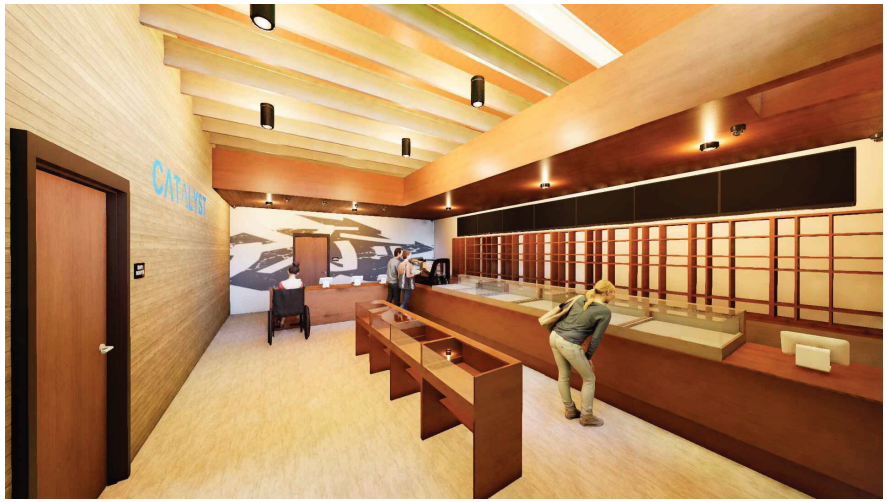
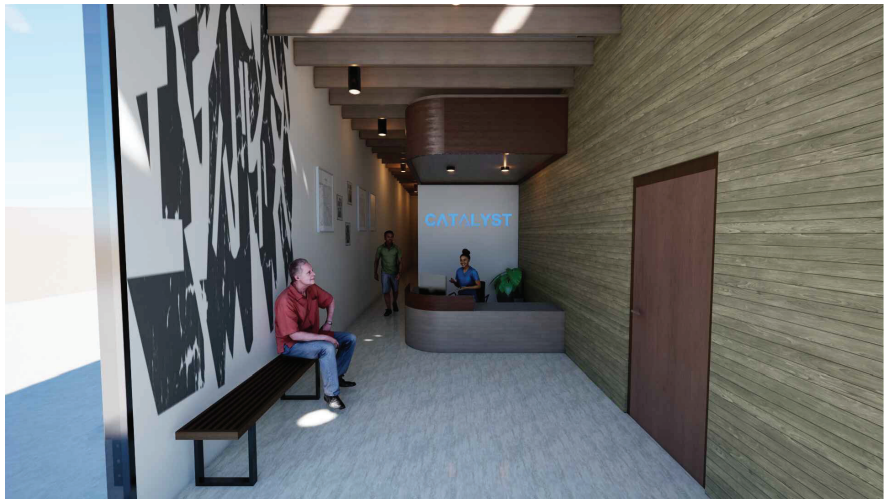
Date: 10/21/2024

Project No.: 2426

A5-1



RETAIL SALES FLOOR - EAST VIEW RENDER



LOBBY - EAST VIEW RENDER

RETAIL SALES FLOOR - WEST VIEW RENDER

DELTA
CONSTRUCTION & ELECTRIC CO.
Est. 1971
CSLB# 495226
Exp. 7/31/24
Class: B, C10, C20 & C27
2325 San Fernando Rd.
Los Angeles, CA 90065
Web-deltaqc.com
Phone 916-302-0467
Email: aaron@deltaqc.com

Digital stamp and signature:

LICENSED ARCHITECT
ANTONY UNRUH
C-26012
8/25
RENEWAL DATE
STATE OF CALIFORNIA

Application Set for Catalyst - Santee L.L.C.

8625 Cuyamaca Street, Santee, CA 92071

Date: 10/21/2024

Project No.: 2426

A5-2

G.2.B Site Improvement Narrative

Relevant Citations:

SMC § 13.24 Parking Regulations
SMC § 13.36 Landscape and Irrigation Regulations
CCR Title 4 Division 19 MAUCRSA

Our Owner Elliot Lewis will spearhead our construction development with confidence and skill. This site presents a unique opportunity for Mr. Lewis to once again combine his talents for real estate development and cannabis retail.

We will present our business based using modern, yet wholesome and organic themes. To us, this means simple designs that reflect the natural beauty and glamor of Southern California. Our design concepts are built upon a consistent color palette in line with our well-developed brand identity: crisp whites contrasted with saturated dark woods, highlighted by green foliage and blue branding accents. **Our design theme is meant to embody our mission for positive change** and evoke feelings of "peace," hope," "change" & "community." Community is our brand, so fellowship and activism will be the primary design themes of Catalyst Santee.

(i) Exterior & Façade Improvements

We will breathe life into our neighborhood by implementing significant structural improvements to our property. Our building façade will be newly resurfaced with a durable and attractive stucco finish. Our frontage will be equipped with new awnings, cleanly shined windows and a bright coat of white exterior paint. We will install new fencing and upgrade our exterior lights and parking lot surface to add a "brand new" look to our building.

We are installing a brand-new trash enclosure, so that the existing visible dumpster area no longer creates an eye sore to neighbors. Our enclosure will be reinforced with steel and concrete, and covered by a sturdy roof. It will be kept locked and closed to prevent attracting potential criminal elements.

DELTA
CONSTRUCTION & ELECTRIC CO.

(ii) Proposed Parking Accommodations

Relevant Citations:

SMC § 13.24 Parking Regulations

Optimizing parking and the flow of traffic is central to our property development plan. Our parking will improve the current nonconforming parking conditions by meeting the obligations outlined by SMC subsection 13.24 "Parking Regulations." To illustrate, our newly renovated space at 8625 Cuyamaca will be built to 2,000 square feet; 2,000 square feet divided by the SMC-prescribed 250 square feet equals ***8*** *requisite visitor parking spaces.* **Our business will provide 8 parking spaces, including 1 ADA parking stall.**

Our project will promote the smooth flow of vehicle traffic in Southern Santee. We will begin by widening the driveway aisle to improve the safety of vehicles entering or exiting the right of way. The parking area will be resurfaced and painted. We will bring the existing non-conforming parking area into harmony with the Santee

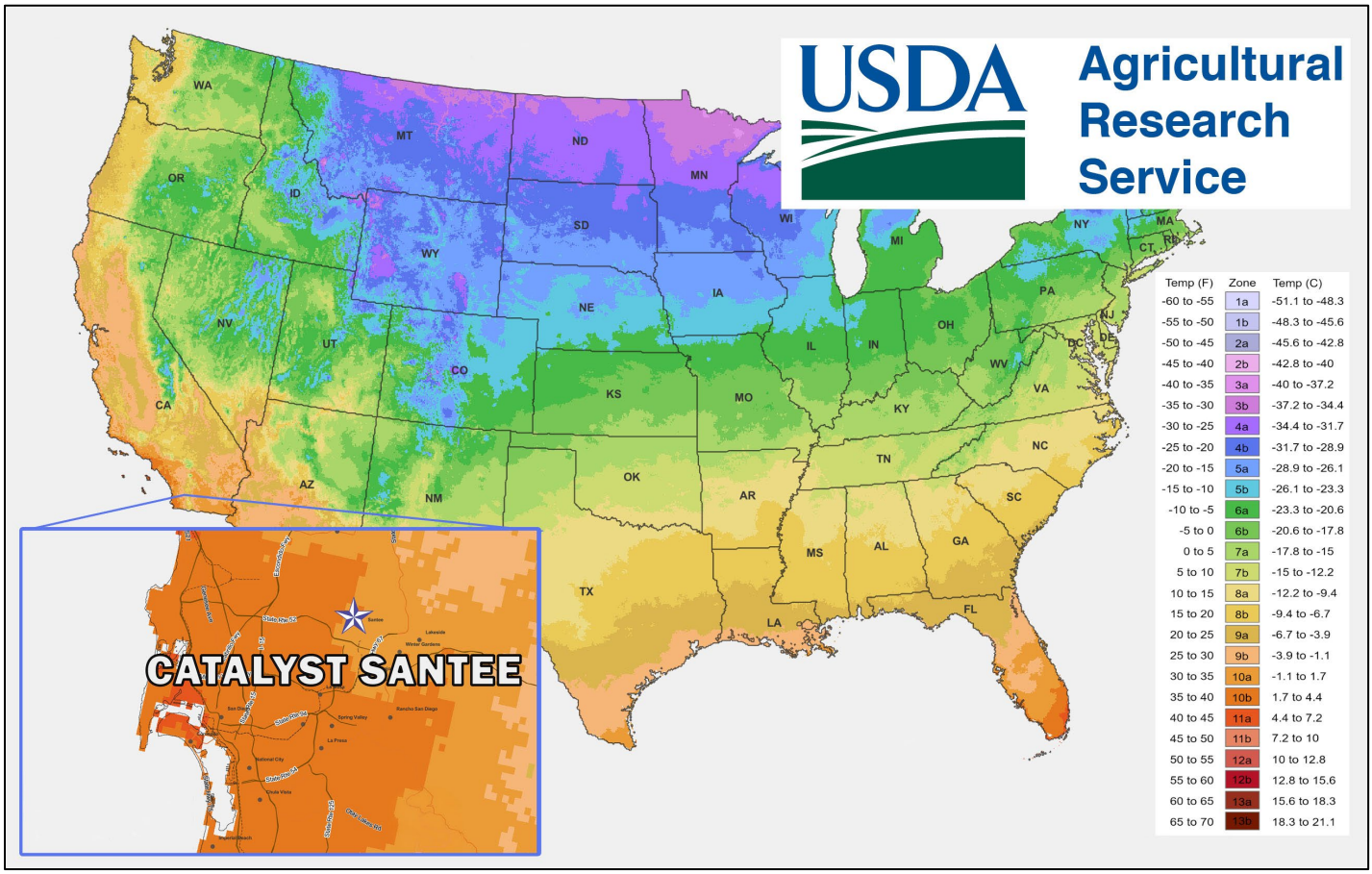
General Plan and Municipal Code by transitioning the six existing parking spaces into eight newly painted stalls and a bicycle parking rack. Perimeter fencing and a new vehicle gate will be installed, which will restrict lot access to business only hours. Our parking lot will be completely renovated, breathing immediate life into our space and improving traffic flow in our vicinity. See our Plan Set for a detailed layout and rendering of our site's proposed parking accommodations.

(iii) Conceptual Landscaping Plan

Our team has the know-how to execute an appealing palette of flora while utilizing approved and practical plants. Our Conceptual landscape plan was made with consideration for the local environment, respect for the City's zoning expectations, and a desire to smoothly integrate with our neighbors. As part of a densely populated commercial area, it is also important that we avoid causing any unsightly disruptions to the existing design theme of our shared space. Balancing those responsibilities, we have an ambitious and robust landscaping microcosm planned for Catalyst Santee. Planning with intention is how we will make it last.

As an industry best practice for security optimization, our landscaping elements will be limited to low plants to deter concealment of loiterers, vandals, nuisances, and potential criminal elements. Our exterior vegetation will feature drought-tolerant desert plants and succulents. We will add trees throughout the perimeter of our space to enhance our property and improve the building façade. Our landscaping and parking areas will be well lit.

As we've strategized our landscaping plan, we have incorporated water-efficiency standards, climate specifications, and plant hardiness into our designs and plant selection. According to the US Department of Food and Agriculture, **Santee is rated as Plant Hardiness Zone 10B**. In general, freezes are rare and daytime temperatures are warm year-round. However, Zone 10B also ranges from mild conditions to warm and humid, which affects landscaping and planting decisions. **Southern California soil is mostly sticky, dense clay, which can be difficult to aerate.** This type of soil must be amended with mediums like compost, sand, or gypsum to facilitate proper rooting and drainage.



Hardiness Zones 9-11 comprise the hottest & most tropical regions of the US. Zone 10B also includes portions of southern Florida, Arizona & Texas

Our landscaping will heavily feature "Ocotillo"
a giant semi-succulent desert plant.

(iv) Sales Floor Design Elements

We take pride in the beauty of our Catalyst facilities. We have a well-developed design model for our retail cannabis facilities. We have implemented several best practices and tried and true sales tactics into our design element selection. Our facility will have numerous large and unique design elements to strike the attention and spark the imagination of our guests; experience has taught us that unique and memorable business elements tend to result in higher levels of customer engagement, which translates to increased revenue and stability for the business.

Wow-Factor Lighting: the Sales Floor will feature bright striking light fixtures. Lighting is the first forefront of perception. A good first impression starts with a well-lit Sales Floor.

Sales Floor at Catalyst Bellflower

Educational Features: We go the extra mile for guest education. Gaining support for our causes begins with spreading the word. Our facility will feature abundant educational opportunities within our design theme. Educational features will focus on topics such as cannabis culture, education, legislation, history, and safe dosage information. Educational features will take the form of informative postings, interactive digital attractions, reading materials, and more.

Display Cases that Shine: our products will be displayed in brightly lit glass cases, which are conducive to visibility while deterring unauthorized access to cannabis samples.

Raw Garden
Concentrates

Wonderbrett
Craft Flower

Art Installations: Our one of kind art installations will be crafted to connect with the local community. Creativity and experiential variety will make Catalyst Santee a destination for cannabis novices and connoisseurs alike.

Murals at Catalyst El Monte

G.2.C Exterior Images of our Proposed Premises

Front View of 8625 Cuyamaca

Parking Area & Rear View of 8625 Cuyamaca

G.3 Our Site Developments will Enhance the Community

Our proposed site at 8625 Cuyamaca was selected after much research and deliberation. We see the potential of this property and area to benefit from our business. Our intent in enhancing our premises is to optimize guest experience while also uplifting our neighborhood and community. We desire that from top to bottom, inside to out, our facility feels comfortable and welcoming to our guests.

Our premises will be designed to maximize security, but we recognize that guests do not enjoy an institutional or penitentiary feel to their shopping visit. Seamlessly incorporating security elements *without sacrificing our aesthetic design* is key to being a good neighbor. We will implement several industry best practices as well as tried-and-true construction and security tactics at Catalyst Santee. In running our businesses, we always keep an eye on how we impact the community. **We aim to positively impact public health, safety, welfare, environmental quality, *and the quality of life* in the surrounding area through the following methods:**

- Signage: We will display abundant and detailed signage inside and outside our premises. Signage will enhance neighborhood security and discourage inappropriate cannabis consumption in our nearby area.
- Landscaping & Fencing: our exterior improvements will modernize our dated, out-of-repair facility exterior. Beautifying our premises will immediately benefit the surrounding area by enhancing property values and quality of life for our neighbors. We will maintain no hedges to deter concealment of loiterers, vandals, nuisances, and potential criminal elements. Existing partial fencing will be extended to fully encompass the property, including new vehicle and pedestrian gates.
- Exterior Lighting: Our facility will be equipped with attractive lighting to optimize security & surveillance. Exterior lights will remain on after hours to deter criminal behavior. Strategic lighting placement will serve to deter loitering in corners and areas with low visibility. Lighting will provide visibility to all entrances, walkways, and parking areas. Lighting has been engineered to illuminate the property while minimizing light trespassing onto adjacent properties and the public right of way. Exterior lighting will be glare-shielded to ensure it remains at appropriate levels; please refer back to Section E.1 for a full photometric analysis of our site.
- Environmental Quality: we are installing a new trash enclosure, to improve the cleanliness of our area while preventing the attraction of potential criminal elements. Our enclosure will be reinforced with steel and covered by a solid roof. The enclosure will be kept locked and visibly secured.
- Traffic & Parking: Our parking lot will be completely renovated, improving traffic flow in our vicinity. We will begin by widening the driveway aisle to improve the safety of vehicles entering or exiting the right of way. The parking area will be resurfaced and painted as we transition the six existing non-conforming parking spaces into eight newly painted stalls with ADA access and bicycle parking. Perimeter fencing and a new vehicle gate will be installed, which will restrict lot access to business only hours.
- Safety & Welfare: There will be many security devices installed outside of our premises which will benefit the surrounding neighborhood. For example, our intrusion detection alarm system, Fire Alarm, and live

alarm monitoring. High-definition IP security cameras (in weather-proof vandalism-deterring enclosures) will surround the entire property. These are all key components of our commitment to improving security in our community.

- Security with a Human Face: We shall maintain visible 24-hour security staff on site to function as a deterrent and monitor activity on the premises.
- Exterior & Façade Improvements: Our building façade will be newly resurfaced with a durable stucco finish. New awnings, cleanly shined windows and a bright coat of white exterior paint will complete the polished and professional "Catalyst" vibe of our exterior. You made it, come on in!

CLOSING STATEMENT

We submit this application to you in gratitude, and in optimism for what lies ahead. Having prepared a truly one-of-a-kind business plan we look forward with excitement to making our dream come to life in the city of Santee. Thank you for your time in reading this application, and your considerate review of our proposals and of our Company.

We are Weed for the People.

We are Catalyst Santee.

CATALYST

#WEEDFORTHEPEOPLE

JOIN THE MOVEMENT

#weedforthepeople

#catalystforchange

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CITY OF SANTEE
COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION
(RETAIL APPLICATIONS)
FINANCIAL RESPONSIBILITY, INDEMNITY AND CONSENT TO INSPECTION TERMS

(Must be completed by all owners)

Dated: October 21, 2024

I hereby agree to the following terms:

1. I herewith pay the sum of $25,711 for the application fee for the review and processing of an application for commercial cannabis business permit.

2. The entire fee amount paid to the City of Santee ("City") is non-refundable. There is no guarantee - expressed or implied - that by submitting the application or paying the application fee that I will obtain a permit to operate a commercial cannabis business.

3. All costs incurred by the City in processing said application, including staff time, attorney's fees, Consultant's fees and overhead, shall be funded from the fees paid. This is a personal obligation and shall not be affected by sale or transfer of the property subject to the application, changes in business organization, or any other reason.

4. I acknowledge and agree to the defense, waiver, and indemnification obligations stated in the attached "Agreement on Limitations of City's Liability, and Certifications, Assurances Warranties and Indemnification to City", incorporated herein by reference.

5. The City will promptly notify the Applicant(s) and Owner(s) of any claim, action, or proceeding that is or may be subject to this Agreement on Limitations of City's Liability, and Certifications, Assurances Warranties, and Indemnification to City. The City may, within its unlimited and sole discretion, participate in the defense of any such claim, action, or proceeding.

6. I will fund a deposit account ("Fund") to reimburse the City's cost, including attorney's fees, to defend any claim, action, or proceeding that is or may be subject to the Agreement on Limitations of City's Liability, and Certifications, Assurances Warranties, and Indemnification to City. In the event that any such claim, action, or proceeding is filed against the City, I shall within 30 days of the filing, deposit an initial sum of $20,000 to the Fund to reimburse the appropriate portion of the City defense costs, as determined by the City in its sole discretion. The Fund shall contain an amount necessary to cover three months' worth of budgeted expenditures by the City relating to the City's defense of the claim, action, or proceeding, including all time to appeal, or as long as expenditures made by the City relating to its defense remain unreimbursed, whichever is later. Once all remaining

Docusign Envelope ID: D330FCB5-3B3E-4138-8B4B-F13D1EC13C06

and outstanding reimbursements have been paid to the City by me, City shall return any remaining unused portion of the deposit.

7. The City shall have the sole and absolute right to approve any and all counsel employed to defend the City. To the extent the City uses any of its resources to respond to such claim, action or proceeding, or to assist the defense, I will reimburse the City for those costs. Such resources include, but are not limited to, staff time, court costs, City Attorney's time, or any other direct or indirect cost associated with responding to, or assisting in defense of, the claim, action, or proceedings.

8. I consent and expressly allow, authorize, and permit the City, all its departments, agents, and employees, to enter upon and inspect the subject property identified in the application, with or without prior notice, for the purposes of processing this application or inspection or photographing for compliance with all laws, regulations, and conditions placed on land use approvals or the cannabis business permit. No additional permission or consent to enter upon the property is necessary or shall be required. By signing this agreement, I further certify and warrant I am authorized to, and hereby do, consent, and allow such inspections on behalf of each and all Owners of the property and Applicants.

9. I understand that all materials submitted in connection with the application are public records that the City may in accordance with applicable law determine are subject to inspection and copying by members of the public. By filing an application, I agree that the public may, if the City determines the law requires it, inspect and copy these materials and the information contained therein, and that some or all of the materials may be posted on the City's website. For any materials that may be subject to copyright protection, or which may be subject to Sections 5500.1 and 5536.4 of the California Business and Professions Code, by submitting such materials to the City I represent that I have the authority to grant, and hereby grant, the City permission to make the materials available to the public for inspection and copying, whether in hardcopy or electronic format.

10. This Agreement shall constitute a separate agreement from any cannabis business permit approval, and that if the cannabis business permit, in part or in whole, is revoked, invalidated, rendered null or set aside by a court of competent jurisdiction, I agree to be bound by the terms of this Agreement, which shall survive such invalidation, nullification or setting aside.

11. This Agreement shall be construed and enforced in accordance with the laws of the State of California and in any legal action or other proceeding brought by either party to enforce or interpret this Agreement; the appropriate venue is the San Diego County Superior Court.

After review and consideration of all of the foregoing terms and conditions, I agree to be bound by and to fully and timely comply with all of the foregoing terms and conditions, and the attached "Agreement on Limitations of City's Liability, and Certifications, Assurances Warranties and Indemnification to City".

Docusign Envelope ID: D330FCB5-3B3E-4138-8B4B-F13D1EC13C06

Applicant(s)/Owner(s):

Catalyst - Santee LLC, d.b.a. Catalyst - Santee, by its Owner / Member & LLC Manager, Elliot Lewis	DocuSigned by: Elliot Lewis 55F129FC5F22456...
Printed Name	Signature
Elliot Lewis, Owner / Member & LLC Manager of Catalyst - Santee LLC, d.b.a. Catalyst - Santee	DocuSigned by: Elliot Lewis 55F129FC5F22456...
Printed Name	Signature
Damian Martin, Owner / Member, Attorney, & Community Relations Liaison of Catalyst - Santee LLC, d.b.a. Catalyst - Santee	DocuSigned by: Damian Martin 9ABE974CE1E1494...
Printed Name	Signature
Printed Name	Signature
Printed Name	Signature

Agreement on Limitations of City's Liability, and Certifications, Assurances, Warranties, and Indemnification to City

(Must be completed by <u>all</u> owners)

A. WAIVER, RELEASE AND HOLD HARMLESS

I hereby waive, release, and hold harmless the City of Santee ("City") and its City Council, boards and commissions, officers, officials, employees, and agents from any and all actual and alleged claims, losses, damages, injuries, liabilities, costs (including attorney's fees), suits or other expenses which arise out of, or which are in any way relate to the application for a cannabis business permit, the issuance of the cannabis business permit, the process used by the City in making its decision, the enforcement of the conditions of the cannabis business permit, or the cannabis business' operations.

I hereby waive, release and hold harmless the City and its City Council, boards and commissions, officers, officials, employees, and agents from any and all actual and alleged claims, losses, damages, injuries, liabilities, costs (including attorney's fees), suits or other expenses which arise out of, or which are in any way relate to: (1) any repeal or amendment of any provision of the Santee Municipal Code or Zoning Ordinance relating to commercial cannabis activity; or (2) any investigation, arrest or prosecution of me, or the cannabis business' owners, operators, employees, clients or customers, for a violation of state or federal laws, rules or regulations relating to cannabis activities.

B. AGREEMENT TO INDEMNIFY

I shall defend, indemnify, and hold harmless the City and its City Council, boards and commissions, officers, officials, employees, and agents from and against any and all actual and alleged liabilities, demands, claims, losses, damages, injuries, actions or proceedings and costs and expenses incidental thereto (including costs of defense, settlement and attorney's fees), which arise out of, or which are in any way related to i) the requested cannabis business permit and any land use entitlement related thereto, ii) the proceedings undertaken in connection with the approval, denial, or appeal of the requested cannabis business permit and any land use entitlement related thereto, iii) any subsequent approvals or licensing/permits relating to the requested cannabis business permit and any land use entitlement related thereto, iv) the processing of the requested cannabis business permit and any land use entitlement related thereto, v) any amendments to the approvals for the requested cannabis business permit and any land use entitlement related thereto, vi) the City's approval, consideration, analysis, review, issuance, denial or appeal of the cannabis business permit; vii) the City's approval, consideration, analysis, review, issuance, denial or appeal of any land use entitlement related thereto, viii) the City's drafting, adoption and passage of an ordinance, and related resolutions, policies, rules and regulations, allowing for cannabis businesses, ix) the City's drafting, adoption and passage of an ordinance, and related resolutions if necessary in the future regarding any zoning law amendment(s) related to the cannabis business, x) the operation of the cannabis business or activity, xi) the process used by the City in making its decision to approve, consider, analyze, review, issue, or deny, the cannabis business permit or any related land use entitlement, or the appeal of either, xii) City's compliance or failure to comply with applicable laws and regulations or xiii) the alleged violation of any federal, state or

local laws by the cannabis business or any of its officers, employees or agents, except where such liability is caused by the sole negligence or willful misconduct of the City.

City may (but is not obligated to) defend such challenge as City, in its sole discretion, determines appropriate, all at applicant's sole cost and expense. I shall bear any and all losses, damages, injuries, liabilities, costs, and expenses (including, without limitation, staff time and in-house attorney's fees on a fully-loaded basis, attorney's fees for outside legal counsel, expert witness fees, court costs, and other litigation expenses) arising out of or related to any challenge ("Costs"), whether incurred by me, City, or awarded to any third party, and shall pay to the City upon demand any Costs incurred by the City.

C. OBLIGATIONS INDEPENDENT OF AWARD OF PERMIT, LICENSE, OR ENTITLEMENTS

The obligations under this Agreement shall apply regardless of whether a cannabis business permit or any related permits or entitlements are issued.

D. OBLIGATIONS SURVIVE EXPIRATION OF PERMIT, LICENSE, OR ENTITLEMENTS

The obligations under this Agreement shall survive the expiration of any cannabis business permit or related permit or entitlement issued by the City. No modification of the permit, other approval, change in applicable laws and regulations, or change in processing methods shall alter the applicant's indemnity obligation.

E. PROSECUTION UNDER FEDERAL LAW

I understand that I, other applicants, owners, operators, employees, and members of the cannabis business may be subject to prosecution under Federal Laws.

F. AUTHORIZED TO SIGN

The person(s) whose signature appears below is/(are) authorized to sign this Agreement on behalf of the business, applicant/permittee, and operators, and each of them, if more than one, has submitted this information and all attachments as required by the application process to obtain a cannabis permit from the City of Santee.

I declare under penalty of perjury that the information provided on this form is true and correct and do hereby apply for a permit pursuant to City of Santee Municipal Code, Chapter 7.04, and all other applicable sections of the Municipal Code.

Applicant Signature

Catalyst - Santee LLC, d.b.a. Catalyst - Santee,
by its Owner / Member & LLC Manager, Elliot Lewis
Printed Name and Title

Catalyst - Santee LLC, d.b.a. Catalyst - Santee
Name of Business Entity

8625 Cuyamaca Street, Santee, CA 92071
Address of Permitted Location

October 15, 2024
Date

Applicant Signature

Elliot Lewis, Owner / Member & LLC Manager
of Catalyst - Santee LLC, d.b.a. Catalyst - Santee
Printed Name and Title

Catalyst - Santee LLC, d.b.a. Catalyst - Santee
Name of Business Entity

8625 Cuyamaca Street, Santee, CA 92071
Address of Permitted Location

October 15, 2024
Date

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of LOS ANGELES

Subscribed and sworn to (or affirmed) before me on this 15 day of OCTOBER, 2024, by ELLIOT LEWIS, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature _____. (Seal)

HEATHER SUEMAI CHUNG
COMM. #2458726
Notary Public - California
Los Angeles County
My Comm. Expires Aug. 11, 2027

F. AUTHORIZED TO SIGN

The person(s) whose signature appears below is/(are) authorized to sign this Agreement on behalf of the business, applicant/permittee, and operators, and each of them, if more than one, has submitted this information and all attachments as required by the application process to obtain a cannabis permit from the City of Santee.

I declare under penalty of perjury that the information provided on this form is true and correct and do hereby apply for a permit pursuant to City of Santee Municipal Code, Chapter 7.04, and all other applicable sections of the Municipal Code.

Applicant Signature	Damian Martin, Owner / Member, Attorney, & Community Relations Liaison of Catalyst - Santee LLC, d.b.a. Catalyst - Santee Printed Name and Title
Catalyst - Santee LLC, d.b.a. Catalyst - Santee Name of Business Entity	8625 Cuyamaca Street, Santee, CA 92071 Address of Permitted Location
October 15, 2024 Date	
Applicant Signature	Printed Name and Title
Name of Business Entity	Address of Permitted Location
Date	

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of LOS ANGELES

Subscribed and sworn to (or affirmed) before me on this 15 day of OCTOBER, 2024, by DAMIAN MARTIN, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature _____. (Seal)

NRO1 HEATHER SUEMAI CHUNG COMM. #2458726 Notary Public · California Los Angeles County My Comm. Expires Aug. 11, 2027 NRO1

City of Santee
10601 Magnolia Ave
Santee, CA 92071
Email: cannabisinfo@cityofsanteeca.gov

PROPERTY OWNER CONSENT/LANDLORD AFFIDAVIT

Property Owner Consent/Landlord Affidavit is required for all Applications. If the business owner is the same person/entity as the property owner, the business owner must complete, sign and notarize the Property Owner Consent/Landlord Affidavit form. If the property is owned by an entity, the entity owner must complete, sign, and notarize the Property Owner Consent/Landlord Affidavit.

[X] I certify that I am/we are the record owner(s) of the property at:

8625 Cuyamaca Street, Santee, CA 92071
Street City State Zip

384-161-24-00,
Accessor Parcel Number (APN)

and that the information filed is true and correct to the best of my (our) knowledge. I/We, as the owner(s) of the subject property, consent to the filing of this application and use of the property for the purposes described herein. I/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(s) being filed.

BY MY SIGNATURE BELOW, I CERTIFY TO EACH OF THE FOLLOWING:

[X] I am the property owner or am authorized to act on the property owner's behalf, and the information I have provided above is correct. I acknowledge that I have read and understand the information contained herein.

[X] I acknowledge that the proposed commercial cannabis business Catalyst - Santee LLC
Tenant (Corporation/LLC/Partnership/Sole Owner)
has the legal right to occupy the property, and consent to the business conducting the following commercial cannabis activity at the Property:

- [X] Retail (Storefront)
- [X] Retail (Storefront with Deliver)
- [ ] Microbusiness (with Retail)

[X] I agree to comply with all applicable City Ordinances and State Laws.

SIGNATURE OF PROPERTY OWNER(S):

Hoang Tran	Hoang Tran
PRINTED NAME OF PROPERTY OWNER(S)	*SIGNATURE OF PROPERTY OWNER(S)*
Minh Chau Tran	
PRINTED NAME OF PROPERTY OWNER(S)	*SIGNATURE OF PROPERTY OWNER(S)*

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Subscribed and sworn to before me this 8 day of October, 20 24, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me Michelle Gascon, Notary Public.

NOTARIZATION REQUIRED. This authorization form will not be valid without notarization. The authorization contained in this form automatically expires upon sale or transfer of title to the Property. If sale or transfer of the Property occurs prior to obtaining a business license, the applicant must resubmit this notarized form with approval of the new legal owner(s) of the Property as well as pay any applicable fees. Property Owner authorization must be signed by all Property Owners of the property identified in the Application. Attach additional pages if necessary.

MICHELLE GASCON
COMM. #2476098
NOTARY PUBLIC - CALIFORNIA
ORANGE COUNTY
My Comm. Expires Dec. 12, 2027

October 15, 2024

To whom it may concern:

This letter provides proof of insurability for a cannabis storefront retailer (without delivery) operated by Catalyst - Santee LLC, d.b.a. Catalyst - Santee at 8625 Cuyamaca Street, Santee, CA 92071 (APN: 384-161-24-00). Our office provides insurance for multiple cannabis storefront retailers operated by the Owners / Members of Catalyst - Santee LLC and other cannabis businesses. Accordingly, our office will endeavor to provide Catalyst - Santee LLC with (1) Commercial General Liability Insurance with a limit of no less than $2,000,000.00 per occurrence and $4,000,000.00 aggregate for bodily injury (including death), personal injury, and property damage and (2) workers' compensation insurance as required by law. Further, should Catalyst - Santee LLC determine, with the City of Santee's permission, to conduct delivery at a later date, our office will endeavor to provide Catalyst - Santee LLC with Automobile Liability Insurance for bodily injury (including death) and property damage including coverage for owned, non-owned, and hired vehicles, with a limit of no less than $1,000,000.00 per occurrence. Such policies for Catalyst - Santee LLC's specific risks are ready to be put in place upon their request / permitting by the City of Santee. Please feel welcome to call if you have any questions.

Valerie Taylor

National Cannabis Practice Leader

Liberty Company Insurance Brokers

valeriet@libertycompany.com

510-932-4418

Docusign Envelope ID: 004A2507-1084-4365-9743-BE8230603FC2

CATALYST
#WEEDFORTHEPEOPLE

CATALYST - SANTEE LLC, D.B.A. CATALYST - SANTEE
ATTN: ELLIOT LEWIS, OWNER / MEMBER & LLC MANAGER
401 PINE AVENUE, LONG BEACH, CA 90802
PHONE: (562) 310-0460 | EMAIL: ELLIOT.LEWIS.CEO@SOUTHCORDHOLDINGS.COM

October 21, 2024

City of Santee
ATTN: Commercial Cannabis Retail Business Application Process
10601 Magnolia Avenue
Santee, CA 92071
Email: cannabisinfo@cityofsanteeca.gov

RE: Proof of Capitalization for Catalyst - Santee LLC, d.b.a. Catalyst - Santee

City of Santee:

My name is Elliot Lewis. I am an Owner / Member & LLC Manager of Catalyst - Santee LLC, d.b.a. Catalyst - Santee ("Catalyst - Santee"). As reflected by the attached corporate documents, I, along with Owner / Member, Attorney, & Community Relations Liaison of Catalyst - Santee, Damian Martin, are the sole Owners / Members of Catalyst - Santee and are the majority Owners / Members of South Cord Holdings LLC, d.b.a. Catalyst Cannabis Co. ("Catalyst Cannabis Co."), and I am the LLC Manager of Catalyst Cannabis Co. as reflected by the enclosed Statement of Information filed with the California Secretary of State. Based on numerous years of experience in the cannabis industry, unmatched business and cannabis expertise, and multiple successful developments of numerous actually operational cannabis businesses, our Owners / Members assembled the following start-up budget for Catalyst - Santee:

Start-Up Expense	Cost
Operating Expenses	
Pre-Operational Professional Services	$200,000
Pre-Operational City Fees	$75,978
Pre-Operational State Fees	$50,000
Security Deposit plus Two Years of Rent	$395,400
Three Months of Maintenance	$2,869
Three Months of Employee Compensation	$637,974
Three Months of Security Staff	$45,660
Three Months of City Direct Fee	$89,483
Three Months of Community Benefits	$25,000
Three Months of Utility Costs	$2,523
Three Months of Product Purchases	$1,267,688

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Start-Up Expense	Cost
Three Months of Operating Expenses	$54,649
Total Operating Expenses	$2,847,224
Capital Expenses	
Construction	$888,900
Security Equipment	$85,000
Furniture, Fixtures, & Equipment	$35,000
Total Capital Expenses	$1,008,900
Anticipated Contingency Costs	$385,612
Total Start-Up Expenses	$4,241,736

Please see Catalyst - Santee's Cannabis Business Permit Application for further reference and explanation.

The purpose of this Proof of Capitalization is to provide proof of financial resources / capitalization / liquid asset for Catalyst - Santee demonstrating access to funds in excess of the above start-up budget. First and foremost and pursuant to the attached bank statement from East West Bank, Catalyst Cannabis Co., a company majority owned by me and Owner / Member Damian Martin has [redacted] cash on hand as of September 30, 2024, from which me and Owner / Member Damian Martin can adequately capitalize Catalyst - Santee. On that note, Catalyst - Fontana has entered into a promissory note dated October 1, 2024, with Catalyst Cannabis Co. in the amount of $4,500,000.00, which is well in excess of Catalyst - Santee's start-up budget of $4,241,736.00.

In other words, this Proof of Capitalization demonstrates that Catalyst Cannabis Co. has [redacted] cash on hand in its East West Bank account as of September 30, 2024, which is well in excess of (1) Catalyst - Santee's start-up budget of $4,241,736.00 and (2) the promissory note with Catalyst - Santee amount of $4,500,000.00.

Respectfully submitted,

DocuSigned by:
Elliot Lewis
55F129FC5F22450...

Elliot Lewis,
Owner / Member & LLC Manager of Catalyst - Santee LLC, d.b.a. Catalyst - Santee
Owner / Member & LLC Manager of South Cord Holdings LLC, d.b.a. Catalyst Cannabis Co.

Enclosures:

1. Promissory Note between Catalyst - Santee and Catalyst Cannabis Co.
2. East West Bank Account Statement for Catalyst Cannabis Co. for September 2024
3. Corporate Documents for Catalyst - Santee
4. Corporate Documents for Catalyst Cannabis Co.

Docusign Envelope ID: 004A2507-1084-4365-9743-BE8230603FC2

PROMISSORY NOTE

FOR VALUE RECEIVED, and subject to the terms and conditions set forth herein, Catalyst - Santee LLC, a California limited liability company, d.b.a. Catalyst - Santee, as borrower (the "Borrower"), hereby unconditionally promises to pay to the order of South Cord Holdings LLC, a California limited liability company, d.b.a. Catalyst Cannabis Co. (the "Noteholder", and together with the Borrower, the "Parties"), the principal amount of Four-Million Five-Hundred Thousand Dollars ($4,500,000.00) (the "Loan") or the aggregate of such amounts the Noteholder has disbursed to the Borrower pursuant to Section 2.2, together with all accrued interest thereon, as provided in this Promissory Note (the "Note").

1. Definitions. Capitalized terms used herein shall have the meanings set forth in this Section 0.

"Advance" means each disbursement made by the Noteholder to the Borrower pursuant to Section 2.2.

"Affiliate" means as to any Person, any other Person that, directly or indirectly through one or more intermediaries, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote twenty-five percent (25.0%) or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Applicable Rate" means the rate equal to eight percent (8.0%) per annum.

"Borrower" has the meaning set forth in the introductory paragraph.

"Borrowing Notice" has the meaning set forth in Section 2.2.

"Business Day" means a day other than a Saturday, Sunday or other day on which commercial banks in Los Angeles, California, are authorized or required by law to close.

"Commitment Period" means the period from the date hereof to the Maturity Date.

"Default" means any of the events specified in Section 0 which constitutes an Event of Default or which, upon the giving of notice, the lapse of time, or both pursuant to Section 0 would, unless cured or waived, become an Event of Default.

"Default Rate" means, at any time, the Applicable Rate plus two percent (2.0%).

"Event of Default" has the meaning set forth in Section 0.

"Governmental Authority" means the government of any nation or any political subdivision thereof, whether at the national, state, territorial, provincial, municipal or any other level, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of, or pertaining to, government.

"Interest Payment Date" means the last day of each quarter commencing on the first such date to occur after the execution of this Note.

"Law" as to any Person, means any law (including common law), statute, ordinance, treaty, rule, regulation, policy or requirement of any Governmental Authority and authoritative interpretations thereon, whether now or hereafter in effect, in each case, applicable to or binding on such Person or any of its properties or to which such Person or any of its properties is subject.

"Lien" means any mortgage, pledge, hypothecation, encumbrance, lien (statutory or other), charge or other security interest.

"Loan" has the meaning set forth in the introductory paragraph.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, properties, liabilities (actual or contingent), operations or condition (financial or otherwise) of the Borrower; (b) the validity or enforceability of the Note; (c) the rights or remedies of the Noteholder hereunder; or (d) the Borrower's ability to perform any of its material obligations hereunder.

"Maturity Date" means the earlier of (a) December 31, 2026, or (b) the date on which all amounts under this Note shall become due and payable pursuant to Section 0.

"Note" has the meaning set forth in the introductory paragraph.

"Noteholder" has the meaning set forth in the introductory paragraph.

"Order" as to any Person, means any order, decree, judgment, writ, injunction, settlement agreement, requirement or determination of an arbitrator or a court or other Governmental Authority, in each case, applicable to or binding on such Person or any of its properties or to which such Person or any of its properties is subject.

"Parties" has the meaning set forth in the introductory paragraph.

"Person" means any individual, corporation, limited liability company, trust, joint venture, association, company, limited or general partnership, unincorporated organization, Governmental Authority, or other entity.

2. Loan Disbursement Mechanics.

2.1 Commitment. Subject to Section 2.2, the Noteholder shall make available to the Borrower one or more Advances during the Commitment Period in an aggregate amount not to exceed the Loan.

2.2 Advances. As a condition to the disbursement of any Advance, (i) the Borrower shall, at least thirty (30) Business Days prior to the requested disbursement date, deliver to the Noteholder a written notice (the "Borrowing Notice") setting out the amount of the Advance, which amount must be in a minimum principal amount of One Thousand Dollars ($1,000.00); (ii) Noteholder shall approve the disbursement in its sole and absolute discretion; and (iii) the Borrower's Manager shall approve the disbursement. Each Borrowing Notice shall be deemed to repeat the Borrower's representations and warranties in Section 6 as of the date of such Borrowing Notice. Upon receipt of the Borrowing Notice, the Noteholder shall make available to the Borrower on the disbursement date the amount set out in the notice in immediately available funds.

3. Final Payment Date; Optional Prepayments.

3.1 Final Payment Date. The aggregate unpaid principal amount of the Loan, all accrued and unpaid interest and all other amounts payable under this Note shall be due and payable on the Maturity Date.

3.2 Optional Prepayment. The Borrower may prepay the Loan in whole or in part at any time or from time to time without penalty or premium by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment.

4. Interest.

4.1 Interest Rate. Except as otherwise provided herein, the outstanding principal amount of all Advances made hereunder shall bear interest at the Applicable Rate from the date such Advance was made until the Loan is paid in full, whether at maturity, upon acceleration, by prepayment or otherwise.

4.2 Default Interest. If any amount payable hereunder is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such overdue amount shall bear interest at the Default Rate from the date of such non-payment until such amount is paid in full.

4.3 Computation of Interest. All computations of interest shall be made on the basis of a year of 365 days and the actual number of days elapsed. Interest shall accrue on each Advance on the day on which such Advance is made, and shall not accrue on any Advance for the day on which it is paid.

4.4 Interest Rate Limitation. If at any time and for any reason whatsoever, the interest rate payable on any Advance shall exceed the maximum rate of interest permitted to be charged by the Noteholder to the Borrower under applicable Law, such interest rate shall be reduced automatically to the maximum rate of interest permitted to be charged under applicable Law.

5. Payment Mechanics.

5.1 Manner of Payments. All payments of interest and principal shall be made in lawful money of the United States of America no later than 5:00 PM Pacific Standard Time on the date on which such payment is due by cashier's check, certified check or by wire transfer of immediately available funds to the Noteholder's account at a bank specified by the Noteholder in writing to the Borrower from time to time.

5.2 Application of Payments. All payments made hereunder shall be applied first to the payment of any fees or charges outstanding hereunder, second to accrued interest, and third to the payment of the principal amount outstanding under the Note.

5.3 Business Day Convention. Whenever any payment to be made hereunder shall be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension will be considered in calculating the amount of interest payable under this Note.

5.4 Evidence of Debt. The Noteholder is authorized to record on the grid attached hereto as Exhibit A each Advance made to the Borrower and each payment or prepayment thereof. The entries made by the Noteholder shall, to the extent permitted by applicable Law, be prima facie

evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of the Noteholder to record such payments or prepayments, or any inaccuracy therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Advances in accordance with the terms of this Note.

5.5 Rescission of Payments. If at any time any payment made by the Borrower under this Note is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, the Borrower's obligation to make such payment shall be reinstated as though such payment had not been made.

6. Representations and Warranties. The Borrower hereby represents and warrants to the Noteholder on the date hereof as follows:

6.1 Existence; Compliance with Laws. The Borrower is (a) a limited liability company duly organized, validly existing and in good standing under the laws of the state of its jurisdiction of organization and has the requisite power and authority, and the legal right, to own, lease and operate its properties and assets and to conduct its business as it is now being conducted and (b) in compliance with all Laws and Orders, except to the extent that the failure to comply therewith would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.2 Power and Authority. The Borrower has the power and authority, and the legal right, to execute and deliver this Note and to perform its obligations hereunder.

6.3 Authorization; Execution and Delivery. The execution and delivery of this Note by the Borrower and the performance of its obligations hereunder have been duly authorized by all necessary corporate action in accordance with all applicable Laws. The Borrower has duly executed and delivered this Note.

6.4 No Approvals. No consent or authorization of, filing with, notice to or other act by, or in respect of, any Governmental Authority or any other Person is required in order for the Borrower to execute, deliver, or perform any of its obligations under this Note.

6.5 No Violations. The execution and delivery of this Note and the consummation by the Borrower of the transactions contemplated hereby do not and will not (a) violate any provision of the Borrower's organizational documents; (b) violate any Law or Order applicable to the Borrower or by which any of its properties or assets may be bound; or (c) constitute a default under any material agreement or contract by which the Borrower may be bound.

6.6 Enforceability. The Note is a valid, legal and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

6.7 No Litigation. No action, suit, litigation, investigation or proceeding of, or before, any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, threatened by or against the Borrower or any of its property or assets (a) with respect to the Note or any of the transactions contemplated hereby or (b) that would be expected to materially adversely affect the Borrower's financial condition or the ability of the Borrower to perform its obligations under the Note.

7. Affirmative Covenants. Until all amounts outstanding in this Note have been paid in full, the Borrower shall:

7.1 Maintenance of Existence. (a) Preserve, renew and maintain in full force and effect its corporate or organizational existence and (b) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

7.2 Compliance. Comply with (a) all of the terms and provisions of its organizational documents; (b) its obligations under its material contracts and agreements; and (c) all Laws and Orders applicable to it and its business, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

7.3 Notice of Events of Default. As soon as possible and in any event within two (2) Business Days after it becomes aware that a Default or an Event of Default has occurred, notify the Noteholder in writing of the nature and extent of such Default or Event of Default and the action, if any, it has taken or proposes to take with respect to such Default or Event of Default.

7.4 Further Assurances. Upon the request of the Noteholder, promptly execute and deliver such further instruments and do or cause to be done such further acts as may be necessary or advisable to carry out the intent and purposes of this Note.

8. Events of Default. The occurrence and continuance of any of the following shall constitute an Event of Default hereunder:

8.1 Failure to Pay. The Borrower fails to pay (a) any principal amount of the Loan when due or (b) interest or any other amount when due and such failure continues for five (5) days.

8.2 Breach of Representations and Warranties. Any representation or warranty made or deemed made by the Borrower to the Noteholder herein is incorrect in any material respect on the date as of which such representation or warranty was made or deemed made.

8.3 Breach of Covenants. The Borrower fails to observe or perform any material covenant, obligation, condition or agreement contained in this Note and such failure continues for thirty (30) days.

8.4 Bankruptcy.

(a) The Borrower commences any case, proceeding or other action (i) under any existing or future Law relating to bankruptcy, insolvency, reorganization, or other relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts or (ii) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or the Borrower makes a general assignment for the benefit of its creditors;

(b) There is commenced against the Borrower any case, proceeding or other action of a nature referred to in Section 0 above which (i) results in the entry of an order for relief or any such adjudication or appointment or (ii) remains undismissed, undischarged, or unbonded for a period of thirty (30) days;

(c) There is commenced against the Borrower any case, proceeding or other action seeking issuance of a warrant of attachment, execution or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which has not been vacated, discharged, or stayed or bonded pending appeal within thirty (30) days from the entry thereof;

(d) The Borrower takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in Section 0, Section 0, or Section 0 above; or

(e) The Borrower is generally not, or shall be unable to, or admits in writing its inability to, pay its debts as they become due.

8.5 Judgments. One or more judgments or decrees shall be entered against the Borrower and all of such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within thirty (30) days from the entry thereof.

9. Remedies. Upon the occurrence of any Event of Default and at any time thereafter during the continuance of such Event of Default, the Noteholder may at its option, by written notice to the Borrower (a) terminate its commitment to make any Advances hereunder; (b) declare the entire principal amount of this Note, together with all accrued interest thereon and all other amounts payable hereunder, immediately due and payable; (c) convert the entire principal amount of this Note, together with all accrued interest thereon and all other amounts payable hereunder, into membership interests in the Borrower at a rate one membership interest per $200.00 converted; and (d) exercise any or all of its rights, powers or remedies under applicable Law; provided, however, that, if an Event of Default described in Section 0 shall occur, the principal of and accrued interest on the Loan shall become immediately due and payable without any notice, declaration or other act on the part of the Noteholder.

10. Miscellaneous.

10.1 Notices.

(a) All notices, requests or other communications required or permitted to be delivered hereunder shall be delivered in writing, in each case to the address specified below or to such other address as such Party may from time to time specify in writing in compliance with this provision:

(i) If to the Borrower:

Catalyst - Santee LLC
ATTN: Elliot Lewis, Owner / Member & LLC Manager
401 Pine Avenue
Long Beach, CA 90802
Email: elliot.lewis.ceo@southcordholdings.com

(ii) If to the Noteholder:

South Cord Holdings LLC
ATTN: Elliot Lewis, Owner / Member & LLC Manager

401 Pine Avenue
Long Beach, CA 90802
Email: elliot.lewis.ceo@southcordholdings.com

(b) Notices if (i) mailed by certified or registered mail or sent by hand or overnight courier service shall be deemed to have been given when received; (ii) sent by facsimile during the recipient's normal business hours shall be deemed to have been given when sent (and if sent after normal business hours shall be deemed to have been given at the opening of the recipient's business on the next business day); and (iii) sent by email shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment).

10.2 Expenses. The Borrower shall reimburse the Noteholder on demand for all reasonable out-of-pocket costs, expenses and fees (including reasonable expenses and fees of its counsel) incurred by the Noteholder in connection with the enforcement of the Noteholder's rights hereunder.

10.3 Governing Law. This Note and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Note and the transactions contemplated hereby shall be governed by the laws of the State of California.

10.4 Submission to Jurisdiction.

(a) The Borrower hereby irrevocably and unconditionally (i) agrees that any legal action, suit, or proceeding arising out of or relating to this Note may be brought in the courts of the State of California or of the United States of America for the Central District of California and (ii) submits to the exclusive jurisdiction of any such court in any such action, suit or proceeding. Final judgment against the Borrower in any action, suit or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment.

(b) Nothing in this Section 10.4 shall affect the right of the Noteholder to (i) commence legal proceedings or otherwise sue the Borrower in any other court having jurisdiction over the Borrower or (ii) serve process upon the Borrower in any manner authorized by the laws of any such jurisdiction.

10.5 Venue. The Borrower irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Note in any court referred to in Section 10.4 and the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

10.6 Waiver of Jury Trial. THE BORROWER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY RELATING TO THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY.

10.7 Counterparts; Integration; Effectiveness. This Note and any amendments, waivers, consents, or supplements hereto may be executed in counterparts, each of which shall constitute an original, but all taken together shall constitute a single contract. This Note constitutes the entire contract between the Parties with respect to the subject matter hereof and supersede all

previous agreements and understandings, oral or written, with respect thereto. Delivery of an executed counterpart of a signature page to this Note by facsimile or in electronic (*i.e.*, "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Note.

10.8 Successors and Assigns. This Note may be assigned or transferred by the Noteholder to any Person. The Borrower may not assign or transfer this Note or any of its rights hereunder without the prior written consent of the Noteholder, which the Noteholder may withhold in its discretion. This Note shall inure to the benefit of, and be binding upon, the Parties and their permitted assigns.

10.9 Waiver of Notice. The Borrower hereby waives demand for payment, presentment for payment, protest, notice of payment, notice of dishonor, notice of nonpayment, notice of acceleration of maturity, and diligence in taking any action to collect sums owing hereunder.

10.10 Interpretation. For purposes of this Note (a) the words "include", "includes", and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein", "hereof", "hereby", "hereto", and "hereunder" refer to this Note as a whole. The definitions given for any defined terms in this Note shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Unless the context otherwise requires, references herein: (a) to Schedules, Exhibits and Sections mean the Schedules, Exhibits and Sections of this Note; (b) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (c) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Note shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

10.11 Amendments and Waivers. No term of this Note may be waived, modified, or amended except by an instrument in writing signed by both of the parties hereto. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

10.12 Headings. The headings of the various Sections and subsections herein are for reference only and shall not define, modify, expand, or limit any of the terms or provisions hereof.

10.13 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising on the part of the Noteholder, of any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.14 Electronic Execution. The words "execution", "signed", "signature", and words of similar import in the Note shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity, and enforceability as manually executed signatures or a paper-based recordkeeping system, as the case may be, to the extent and as provided for under applicable law.

10.15 Severability. If any term or provision of this Note is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or

provision of this Note or invalidate or render unenforceable such term or provision in any other jurisdiction.

[Signature page follows]

SIGNATURE PAGE TO PROMISSORY NOTE

IN WITNESS WHEREOF, the parties hereto have executed this Note as of October 1, 2024.

BORROWER:

Catalyst - Santee LLC,
a California limited liability company,
d.b.a. Catalyst - Santee

DocuSigned by:
By Elliot Lewis
55F129FC5E22458...
Elliot Lewis, Owner / Member &
LLC Manager

NOTEHOLDER:

South Cord Holdings LLC,
a California limited liability company,
d.b.a. Catalyst Cannabis Co.

DocuSigned by:
By Elliot Lewis
55F129FC5E22458...
Elliot Lewis, Owner / Member &
LLC Manager

Docusign Envelope ID: 004A2507-1084-4365-9743-BE8230603FC2

EXHIBIT A

ADVANCES AND PAYMENTS ON THE LOAN

Date of Advance	Amount of Advance	Amount of Principal Paid	Unpaid Principal Amount of Note	Name of Person Making the Notation

Docusign Envelope ID: 004A2507-1084-4365-9743-BE8230603FC2

202463814278

B3035-4667 09/12/2024 12:07 PM Received by California Secretary of State

STATE OF CALIFORNIA
Office of the Secretary of State
ARTICLES OF ORGANIZATION
CA LIMITED LIABILITY COMPANY

California Secretary of State
1500 11th Street
Sacramento, California 95814
(916) 657-5448

For Office Use Only

-FILED-

File No.: 202463814278

Date Filed: 9/12/2024

Limited Liability Company Name	
Limited Liability Company Name	CATALYST - SANTEE LLC
Initial Street Address of Principal Office of LLC	
Principal Address	401 PINE AVE. LONG BEACH, CA 90802
Initial Mailing Address of LLC	
Mailing Address	401 PINE AVE. LONG BEACH, CA 90802
Attention	
Agent for Service of Process	
Agent Name	ANTHONY ALMAZ
Agent Address	401 PINE AVE. LONG BEACH, CA 90802

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.

Management Structure	
The LLC will be managed by	One Manager

Additional information and signatures set forth on attached pages, if any, are incorporated herein by reference and made part of this filing.

Electronic Signature

☒ By signing, I affirm under penalty of perjury that the information herein is true and correct and that I am authorized by California law to sign.

ANTHONY ALMAZ	09/12/2024
Organizer Signature	Date

Docusign Envelope ID: 004A2507-1084-4365-9743-BE8230603FC2

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B3126-7813 10/18/2024 1:48 PM Received by California Secretary of State

STATE OF CALIFORNIA
Office of the Secretary of State
STATEMENT OF INFORMATION
LIMITED LIABILITY COMPANY

California Secretary of State
1500 11th Street
Sacramento, California 95814
(916) 657-5448

For Office Use Only

-FILED-

File No.: BA20241847538

Date Filed: 10/18/2024

Entity Details

Limited Liability Company Name	CATALYST - SANTEE LLC
Entity No.	202463814278
Formed In	CALIFORNIA

Street Address of Principal Office of LLC

Principal Address	401 PINE AVE. LONG BEACH, CA 90802

Mailing Address of LLC

Mailing Address	401 PINE AVE. LONG BEACH, CA 90802
Attention	

Street Address of California Office of LLC

Street Address of California Office	401 PINE AVE LONG BEACH, CA 90802

Manager(s) or Member(s)

Manager or Member Name	Manager or Member Address
+ ELLIOT LEWIS	401 PINE AVE LONG BEACH, CA 90802

Agent for Service of Process

Agent Name	ANTHONY ALMAZ
Agent Address	401 PINE AVE LONG BEACH, CA 90802

Type of Business

Type of Business	RETAIL

Email Notifications

Opt-in Email Notifications	Yes, I opt-in to receive entity notifications via email.

Chief Executive Officer (CEO)

CEO Name	CEO Address
None Entered	

Labor Judgment

No Manager or Member, as further defined by California Corporations Code section 17702.09(a)(8), has an outstanding final judgment issued by the Division of Labor Standards Enforcement or a court of law, for which no appeal is pending, for the violation of any wage order or provision of the Labor Code.

B3126-7814 10/18/2024 1:48 PM Received by California Secretary of State

Electronic Signature

☒ By signing, I affirm under penalty of perjury that the information herein is true and correct and that I am authorized by California law to sign.

ANTHONY ALMAZ	10/18/2024
Signature	Date

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LIMITED LIABILITY COMPANY OPERATING AGREEMENT OF CATALYST - SANTEE LLC (a California limited liability company)

This Limited Liability Company Operating Agreement (this "**Agreement**") of Catalyst - Santee LLC, a limited liability company formed under the laws of the State of California (the "**Company**"), is made effective as of September 12, 2024 (the "**Effective Date**"), by the signatories listed on the signature page hereof (individually referred to as a "**Member**" and collectively referred to as the "**Members**"). Unless otherwise noted, capitalized terms used in this Agreement have the meanings ascribed herein, as more fully set forth in ARTICLE XII.

RECITALS

WHEREAS, on September 12, 2024, the Company filed Limited Liability Company Articles of Organization (the "**Articles of Organization**").

WHEREAS, the Members desire to adopt and approve this Agreement under RULLCA.

NOW, THEREFORE, the Members of this Agreement set forth the limited liability company operating agreement for the Company from this date forward upon the terms and subject to the conditions of this Agreement.

ARTICLE I
Organizational Matters

Section 1.01 Formation. The Company became a limited liability company under the RULLCA when the Articles of Organization were filed. The rights, duties and liabilities of the Company and the Members are determined pursuant to the Articles of Organization and this Agreement and, to the extent they do not otherwise provide, by the RULLCA.

Section 1.02 Name. The name of the limited liability company is Catalyst - Santee LLC.

Section 1.03 Principal Office. The principal office of the Company is located 401 Pine Avenue, Long Beach, CA 90802, or such other place as may from time to time be determined by the Manager. The Manager shall give prompt notice of any such change to each of the Members.

Section 1.04 Registered Agent. The name and address of the Company's registered agent in the State of California is and shall be, until changed by the Manager, as set forth in the Company's Statement of Information filed with the State of California

Section 1.05 Nature of Business. The express, limited and only purposes of the Company shall be to (a) obtain, directly or indirectly, all state and local permits, licenses, discretionary regulatory approvals and related entitlements in accordance with Applicable Law, to the operation of a cannabis business in the City of Santee, California, and (d) to engage in

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such other lawful activities permitted to limited liability companies by the California Act and any other Applicable Law and statutes for such entities of the State of California as are incidental, necessary or appropriate to carrying out the foregoing purposes, and do all things incidental to or in furtherance of such purposes, as determined from time to time by the Manager.

Section 1.06 Term. The term of the Company commenced on the date the Articles of Organization were filed with the California Secretary of State and shall continue in existence perpetually until the Company is dissolved in accordance with the provisions of this Agreement.

ARTICLE II
UNITS

Section 2.01 Units Generally. The Membership Interests of the Members shall be represented by issued and outstanding units ("**Units**"), which may be divided into one or more types, classes, or series. The Company is initially authorized to issue the Units authorized under Section 2.02, and Section 2.03 on the date hereof. Each type, class, or series of Units shall have the privileges, preference, duties, liabilities, obligations, and rights, including voting rights, if any, set forth in this Agreement with respect to such type, class, or series.

Section 2.02 Authorization and Issuance of Units. The Company is hereby authorized to issue up to 25,000 Units designated as Units. As of the date hereof, Units are issued and outstanding to the Member in the amounts set forth on the Members Schedule opposite each such Member's name.

Section 2.03 [Intentionally Omitted]

Section 2.04 New Units. In addition to the Units authorized on the date, the Company is hereby authorized, subject to compliance with the applicable provisions of this Agreement, to authorize and issue or sell to any Person, for consideration and on other terms and conditions determined by the Members any Units (including any new type, class, or series of Units that are not authorized on the date hereof, including Units with different rights, privileges, or preferences (collectively, "**New Units**"). The Members are hereby authorized to amend this Agreement to reflect any such issuance and to fix the relative privileges, preferences, duties, liabilities, obligations, and rights of any such New Units, including the number of such New Units to be issued, any preference (with respect to Distributions, in liquidation, or otherwise) over any other Units, and any contributions required in connection therewith.

(a) Preemptive Rights. Subject to the limitations and exclusions contained in this Section 2.04, each time the Company determines to issue and sell New Units (each an "**Issuance**"), the Company shall, at least forty-five (45) days prior to each Issuance, deliver a notice (an "**Issuance Notice**") to the Members setting forth the details of the New Units offered or being offered, the date or proposed date of such Issuance, the price and other terms and conditions of such Issuance, and the amount and class of Membership Interests being offered which the Members shall be entitled to purchase pursuant to the Preemptive Rights described below. The Members shall have the right and option (collectively, "**Preemptive Rights**"), but not the obligation, to purchase from the Company in the Issuance, at the price and upon the other terms and conditions

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contained in the Issuance Notice, up to such portion of the Membership Interests being offered as may be necessary so that the Membership Interest of each Member would be as nearly equal as possible to its Membership Interest, calculated immediately before such Issuance (the "**Allocable Portion**").

(b) Procedure. Within ten (10) days after delivery of an Issuance Notice, each Member shall have the right to, but not the obligation to, transmit its binding commitment (the "**Binding Commitment**") to purchase up to its Allocable Portion of the Membership Interests to be issued by the Company on the same terms as offered in the Issuance Notice and, in the event that the Company proceeds with the Issuance, the Company will be obligated to sell to each Member that number of Membership Interests to be sold in accordance with Section 2.04(a) above. If any Member sends a Binding Commitment to the Company, the Company, no later than ten (10) days after the closing of the sale of Membership Interests pursuant to the Issuance, shall notify such Member of the number of Membership Interests sold in the Issuance, the number of Membership Interests to be sold to such Member, and the aggregate purchase price for the Membership Interests (the "**Issuance Confirmation Notice**"). Within ten (10) days after delivery of the Issuance Confirmation Notice, such Member shall transmit all of the funds to purchase the Membership Interests reflected in the Binding Commitment to the Company. Failure by such Member to transmit its Binding Commitment pursuant to this 2.04(b) shall be deemed a waiver in full of its rights to purchase any Membership Interests in connection with that particular Issuance but not of any future Issuance.

(c) Exceptions. Notwithstanding Sections 2.04(a) and (b), no Preemptive Rights shall apply to or arise in connection with any of the following: (i) an Issuance to all Members on a pro rata basis based on their respective Membership Interests; or (ii) an Issuance pursuant to an effective registration statement under the Securities Act.

Section 2.05 Certification.

(a) The Manager may, but shall not be required to, issue certificates to each Member evidencing the Membership Interests held by such Member.

(b) If the Manager shall issue certificates representing Membership Interests in accordance with **Error! Reference source not found.**, then in addition to any other legend required by Applicable Law, all certificates representing issued and outstanding Membership Interests shall bear a legend substantially in the following form:

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO AN OPERATING AGREEMENT AMONG THE COMPANY AND ITS MEMBERS, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, GIFT, PLEDGE, ENCUMBRANCE, HYPOTHECATION, OR OTHER DISPOSITION OF THE MEMBERSHIP INTERESTS REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH OPERATING AGREEMENT.

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THE MEMBERSHIP INTERESTS REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, GIFTED, PLEDGED, ENCUMBERED, HYPOTHECATED, OR OTHERWISE DISPOSED EXCEPT PURSUANT TO (A) A REGISTRATION STATEMENT EFFECTIVE UNDER SUCH ACT AND LAWS, OR (B) AN EXEMPTION FROM REGISTRATION THEREUNDER.

ARTICLE III
MEMBERS

Section 3.01 Members. The name, business, residence, or mailing address, email address, and facsimile number, if any, Capital Contributions, and Membership Interests of each Member are set out in the Members Schedule. The Manager shall update the Members Schedule upon the issuance or Transfer of any Membership Interests to any new or existing Member in accordance with this Agreement.

Section 3.02 Voting. Except as otherwise provided by this Agreement or as otherwise required by the Code or any other Applicable Law, each Member shall be entitled to vote pro-rata in accordance with its Membership Interest in the Company on all matters which the Members have the right to vote under this Agreement.

Section 3.03 Capital Contributions; No Withdrawals.

(a) General. The Members have contributed, or agreed to contribute, to the Company the amounts, in the form of cash, property, services, or a promissory note or other obligation (as such amounts may be amended herein from time to time, the "**Capital Contributions**") set out in the Members Schedule. Except as set forth in this Section 3.03, no Member is required to make additional Capital Contributions to the Company. No Member shall be entitled to receive any interest on its Capital Contributions.

(b) Voluntary Capital Contributions. If, from time to time, the Manager determines that the Company requires funds in excess of the Required Capital Contributions to pay the obligations of the Company or to achieve the purposes of the Company, the Manager shall give written notice (a "**Capital Call Notice**") to all Members that contributions of capital are requested ("**Voluntary Capital Contributions**"). The notice shall set forth the aggregate amount of capital needed and the purpose for which it is needed. Within fifteen (15) days of receipt of the Capital Call Notice (or such shorter period of time as the Manager may establish in their notice to the Members, if a more prompt response is reasonably required to meet the capital needs of the Company), each Member may, but shall not be obligated to, contribute cash in an amount equal to its pro rata share (based upon each Member's relative Membership Interest) of the capital set forth in the Capital Call Notice ("**Capital Call Share**") or give written notice to the Manager and the other Members of how much, if any, of its Capital Call Share it is willing to contribute (failure to provide notice of intent to make the contribution of all or

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a portion of its Capital Call Share, within the required time, shall constitute a notice that such Member is unwilling to contribute any amount toward the capital call). If any Member declines to contribute its full Capital Call Share (each, a "**Noncontributing Member**", and the amount of the Capital Call Share not so contributed by such Member, a "**Capital Shortfall**"), then the following rules shall apply:

(i) If any Member is a Noncontributing Member, then each other Member that contributed its full Capital Call Share (a "**Contributing Member**") may (but shall not be obligated to) make an additional Voluntary Capital Contribution of all or any portion of the Capital Shortfall amount attributable to such Member (if there is more than one Contributing Member who wishes to make up the Capital Shortfall, then the Capital Shortfall amount shall be allocated among such Contributing Members in accordance with their relative Membership Interests, or as they otherwise may unanimously agree). Each such additional Voluntary Capital Contribution shall be made within fifteen (15) days following the expiration of the initial fifteen (15) day period for Members to make Voluntary Capital Contributions pursuant to Section 3.03(c).

(iii) In the event there is a capital call in which the Members do not all contribute their pro rata shares, then the Units shall be reallocated among the Member so that they are in proportion to the aggregate Capital Contributions made by each Member on or after the Effective Date (inclusive of the Required Capital Contributions, the Voluntary Capital Contributions, and any Capital Shortfall contributing by the Contributing Members), and for purposes of such Unit adjustment pursuant to this Section 3.03(c)(iii) only (and not for any other purposes under this Agreement).

Section 3.04 Admission of Additional Members.

(a) Additional Members may be admitted from time to time following compliance with the provisions of **Error! Reference source not found.** and in connection with (i) the issuance of Membership Interests by the Company, subject to compliance with the provisions of Section 2.04(a) and Section 4.04(q) or (ii) a Transfer of Membership Interests, subject to compliance with the provisions of ARTICLE VII.

(b) [Intentionally Omitted].

(c) Except as set forth above with regard to the Authorized but Unissued Class B Units, in order for any Person not already a Member of the Company to be admitted as a Member, whether pursuant to an issuance or a Transfer (including a Permitted Transfer) of Membership Interests or otherwise, this Agreement shall be amended and restated to reflect the admission of such Person, who shall be a party hereto. Upon the amendment of this Agreement and the satisfaction of any other applicable conditions, including, if a condition, the receipt by the Company of payment for the issuance of the applicable Membership Interests, and, if such Person is a natural person who has a Spouse, an executed written undertaking substantially in the form of the Spousal Consent attached hereto as Exhibit A (a "**Spousal Consent**"), such Person shall

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be admitted as a Member, shall be a party hereto, shall be deemed listed as such on the books and records of the Company, and, in the case of an issuance, thereupon shall be issued its Membership Interests.

Section 3.05 Representations and Warranties of Members. By execution and delivery of this Agreement or a Joinder Agreement, as applicable, each of the Members, whether admitted as of the date hereof or pursuant to another provision of this Agreement, represents and warrants to the Company and acknowledges that:

(a) The Units have not been registered under the Securities Act or the securities laws of any other jurisdiction, are issued in reliance upon federal and state exemptions for transactions not involving a public offering, and cannot be disposed of unless (i) they are subsequently registered or exempted from registration under the Securities Act and (ii) the provisions of this Agreement have been complied with;

(b) Such Member (i) is an "accredited investor" within the meaning of Rule 501 promulgated under the Securities Act, and (ii) agrees to furnish any additional information requested by the Manager or the Company to assure compliance with applicable U.S. federal and state securities laws in connection with the purchase and sale of the Units;

(c) Such Member's Units are being acquired for such Member's own account solely for investment and not with a view to resale or distribution thereof;

(d) Such Member has been advised to obtain independent counsel to advise such Member individually in connection with the drafting, preparation, negotiation, and/or review of this Agreement and, if applicable, the Joinder Agreement. Such Member has conducted such Member's own independent review and analysis of the business, operations, assets, liabilities, results of operations, financial condition, and prospects of the Company and such Member acknowledges having been provided adequate access to the personnel, properties, premises, and records of the Company for such purpose;

(e) The determination of such Member to acquire Units has been made by such Member independent of any other Member and independent of any statements or opinions as to the advisability of such purchase or as to the business, operations, assets, liabilities, results of operations, financial condition, and prospects of the Company that may have been made or given by any other Member or the Company or by any of their Affiliates or Representatives, other than those set forth in the Purchase Agreement;

(f) Such Member has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in the Company and making an informed decision with respect thereto;

(g) Such Member is able to bear the economic and financial risk of an investment in the Company for an indefinite period of time;

(h) The execution, delivery, and performance of this Agreement or the Joinder Agreement by such Member (i) if it is an entity, have been duly authorized by all

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requisite entity action on the part of such Member and do not require such Member to obtain any consent or approval that has not been duly obtained; and (ii) do not contravene in any material respect or result in a default under (A) any provision of any law or regulation applicable to such Member; (B) if such Member is an entity, its governing documents; or (C) any agreement or instrument to which such Member is a party or by which such Member is bound;

(i) This Agreement is valid, binding, and enforceable against such Member in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws of general applicability relating to or affecting creditors' rights or general equity principles (regardless of whether considered at law or in equity); and

(j) Neither the issuance of any Units to such Member nor any provision contained herein will entitle such Member to remain in the employment of or other service to the Company or affect the right of the Company to terminate such Member's employment or other service at any time for any reason, other than as otherwise provided in such Member's employment, service, or other similar agreement with the Company, if applicable.

None of the foregoing shall replace, diminish, or otherwise adversely affect any Member's representations and warranties made by such Member in any Unit Purchase Agreement.

Section 3.06 Dissociation; Death.

(a) No Member shall have the ability to dissociate or withdraw as a Member without the written consent of the Manager (or in the case of the dissociation of the Manager or its Affiliate, the written consent of a Majority of the Non-Manager Members), except as required by Applicable Law. The dissociation will be effective when the Company receives the notice, or if such Member specifies a later date, then on such later date. As soon as any Member ceases to hold any Membership Interests, such Person shall no longer be a Member. Any Member who dissociates will continue to be liable for each debt, obligation, or other liability owed, as of the date of dissociation, to the Company or the other Members. Additionally, any Member who wrongfully dissociates shall be liable to the Company and the other Members for damages caused by the dissociation. A Member who dissociates must divest its entire Membership Interest before the effective date of dissociation in accordance with this Agreement and Applicable Law.

(b) In the event of the death of a Member, the Company and its business shall be continued by the remaining Member or Members, subject to Section 10.01(c).

Section 3.07 Meetings.

(a) Meetings of the Members may be called by (i) the Manager or (ii) a Member or group of Members holding more than thirty (30%) of the Membership Interests.

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(b) Written notice stating the place, date, and time of the meeting, the means of electronic video screen communication or transmission, if any, and describing the general nature of the business to be conducted at the meeting, shall be delivered not fewer than 10 days and not more than 60 days before the date of the meeting to each Member, by or at the direction of the Manager or the Member(s) calling the meeting, as the case may be. The business to be conducted at such meeting shall be limited to the business described in the notice. The Members may hold meetings at the Company's principal office or at such other place, within or outside the State of California, as the Manager or the Member(s) calling the meeting may designate in the notice for such meeting.

(c) Any Member may participate in a meeting of the Members (i) using conference telephone or electronic video screen communication, if all Persons participating in the meeting can talk to and hear each other or (ii) by Electronic Transmission by or to the Company if the Company (A) implements reasonable measures to provide Members, in person or by proxy, a reasonable opportunity to participate and vote, including an opportunity to read or hear the meeting's proceedings substantially concurrently with the proceedings and (B) maintains a record of votes or other action taken by the Members. Participation in a meeting by such means shall constitute presence in person at such meeting.

(d) On any matter that is to be voted on by the Members, a Member may vote in person or by proxy, and such proxy may be granted in writing signed by such Member, using Electronic Transmission authorized by such Member or as otherwise permitted by Applicable Law. Every proxy shall be revocable in the discretion of the Member executing it unless otherwise provided in such proxy; provided, that such right to revocation shall not invalidate or otherwise affect actions taken under such proxy prior to such revocation.

(e) Attendance of a Member at any meeting shall constitute a waiver of notice of such meeting, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

(f) A quorum of any meeting of the Members shall require the presence, whether in person or by proxy, of the Members holding a majority of the Membership Interests, unless a higher percentage of Members is required to approve any matter subject to a vote at such meeting in accordance with the terms of this Agreement or RULLCA, in which case a quorum shall require such higher percentage. Subject to Section 3.08, no action may be taken by the Members unless the appropriate quorum is present at a meeting.

(g) Subject to the provisions of this Agreement or RULLCA requiring the vote, consent, or approval of a different percentage of the Membership Interests, no action may be taken by the Members at any meeting at which a quorum is present without the affirmative vote of the Members holding a majority of the Membership Interests.

Section 3.08 Action Without Meeting.

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(a) Notwithstanding the provisions of Section 3.07, any matter that is to be voted on, consented to, or approved by the Members may be taken without a meeting, without prior notice and without a vote if a written consent is signed and delivered (including by Electronic Transmission) to the Company within 60 days of the record date for that action by a Member or the Members holding not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which each Member entitled to vote on the action is present and votes/all Members entitled to vote on the matter. A record shall be maintained by the Manager of each such action taken by written consent of a Member or the Members.

(b) Unless the consents of all Members entitled to vote have been solicited in writing, (i) the Manager shall give notice of any amendment to the articles of organization or this Agreement, a dissolution, or a merger of the Company approved by the Members without a meeting by less than unanimous written consent, at least ten (10) days before the consummation of such action, and (ii) the Manager shall give prompt notice of the taking of any other action approved by Members without a meeting by less than unanimous written consent, to those Members entitled to vote who have not consented in writing.

ARTICLE IV
MANAGEMENT

Section 4.01 Management of the Company. The Company shall be manager-managed by the Manager. Subject to the provisions of Section 4.02 and except as otherwise provided by RULLCA or this Agreement, the business, property, activities, and affairs of the Company shall be managed by the Manager. The actions of the Manager taken in accordance with the provisions of this Agreement shall bind the Company. No other Member of the Company shall have any authority or right to act on behalf of or bind the Company, unless otherwise provided herein or unless specifically authorized by the Manager pursuant to a duly adopted resolution expressly authorizing such action.

Section 4.02 Appointment, Withdrawal and Removal of Manager. The initial Manager of the Company shall be Elliot Lewis, a natural person. Manager may withdraw as a manager of the Company by providing at least thirty (30) days' prior written notice to the Members. The Manager shall be removed in the event of Incapacity or for Cause. Any vacancy in the position of Manager (whether by resignation, removal, retirement or otherwise) shall be, by a person elected by Members holding a majority of the Membership Interests. As used herein, "**Incapacity**" shall mean, (A) as to any person, the adjudication of incompetence or insanity, (B) the filing of a voluntary petition in bankruptcy, the entry of an order of relief in any bankruptcy or insolvency proceeding or the entry of an order that such person is bankrupt or insolvent, (C) any involuntary proceeding seeking liquidation, reorganization or other relief against such person under any bankruptcy, insolvency or other similar law now or hereafter in effect that has not been dismissed one hundred twenty (120) days after the commencement thereof, (D) a finding by a government regulatory agency of competent jurisdiction that such person is not eligible to be an owner of the Licenses, and (E) the death, dissolution or termination (other than by merger or consolidation), as the case may be, of such person (as applicable). "**Cause**" means the Manager's material breach of this Agreement or conduct involving bad faith, willful, or intentional

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misconduct, or a knowing violation of law with regard to the Company. The determination of whether an Incapacity or Cause event has occurred with regard to the Manager shall be made by Majority of the Non-Manager Members.

Section 4.03 Term of Manager. Manager is hereby appointed by the Members to serve as the manager of the Company pursuant and subject to the provisions of this Agreement. Manager shall serve until its resignation, retirement, or removal as provided in this Agreement.

Section 4.04 Authority of the Manager. Without limiting the generality of the foregoing, the Manager shall have authority to make all decisions and take all actions for the Company and any of its subsidiaries not otherwise provided for in this Agreement (which, for the avoidance of doubt, includes any of the matters referenced in Section 17704.07(c)(4), including, without limitation, the following:

(a) Entering into, making and performing contracts, agreements, and other undertakings binding the Company or any of its subsidiaries that may be necessary, appropriate, or advisable in furtherance of the purposes of the Company and making all decisions and waivers hereunder.

(b) Opening and maintaining bank accounts, investment accounts, and arrangements, drawing checks and other orders for the payment of money and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements.

(c) Hiring and employing executives, officers, supervisors, consultants, and advisors of the Company and any of its subsidiaries.

(d) To the extent that funds of the Company and any of its subsidiaries are available therefore, paying debts and obligations of the Company or any of its subsidiaries.

(e) Acquiring, utilizing for the Company's or any of its subsidiaries' purposes and disposing of any asset of the Company or any of its subsidiaries.

(f) Determining distributions of cash and other property of the Company in accordance with this Agreement.

(g) Establishing reserves for commitments and obligations (contingent or otherwise) of the Company and any of its subsidiaries.

(h) Declaring or paying or causing any of its subsidiaries to declare or pay for, any distributions except for distributions from indirect or directly wholly owned subsidiaries.

(i) Granting or causing any of its subsidiaries to grant any exclusive rights to any intellectual property of the Company or any of its subsidiaries.

(j) Filing or settling any action at law or in equity.

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(k) Changing the Fiscal Year.

(l) Causing the Company to purchase or otherwise acquire Units (provided that this provision shall not obligate any Member to sell any Units to the Company).

(m) Acquiring (including by merger, formation of a joint venture or otherwise) any debt or equity securities or other interests in, or any portion of the assets of (excluding purchases of inventory and / or equipment in the ordinary course of business), any other entity or business (in a single transaction or series of related transactions).

(n) Incurring, approving, or authorizing the incurrence of any indebtedness or pledging any assets in a single transaction or series of related transactions.

(o) Making any an investment in any other Person.

(p) Agree to take or authorize any action with respect to the foregoing.

(q) Notwithstanding the foregoing, without the written approval of Members holding at least seventy percent (70%) of the Membership Interests:

(i) The Company shall not, and shall not enter into any commitment to amend, modify, or waive any provision of this Agreement or the Articles of Organization.

(ii) The Members may not dissolve the Company, except as provided under RULLCA.

(iii) The Company may not merge, provided that any merger in which the Members become personally liable for any obligations of a constituent party as a result of such merger requires the consent of all of the Members to the agreement of merger, unless the agreement of merger provides that all Members shall have the dissenters' rights prescribed by Article 11 of RULLCA.

(iv) The Company may not enter into a plan of conversion or otherwise convert into a different form of business entity, provided further that any conversion in which the Members become personally liable for any obligations of a constituent party as a result of such conversion requires the consent of all of the Members to the plan of conversion, unless the plan of conversion provides that all Members shall have the dissenters' rights prescribed by Article 11 of RULLCA.

Section 4.05 Officers. The Manager may appoint one or more individuals as officers of the Company (the "**Officers**") as the Manager deems necessary or desirable to carry on the business of the Company and may delegate to such Officers such power and authority as the Manager deems advisable. An Officer is not required to be a Member of the Company. Any individual may hold two or more offices of the Company. Each Officer shall hold office until his or her successor is designated by the Manager or until his or her earlier death, resignation, or removal. Any Officer may resign at any time upon written notice to the Manager. Any Officer may be removed by the Manager at any time, with or without cause. A vacancy in any office

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occurring because of death, resignation, removal, or otherwise may, but need not, be filled by the Manager.

ARTICLE V
[INTENTIONALLY OMITTED]

ARTICLE VI
DISTRIBUTIONS

Section 6.01 Distributions.

(a) Distributions of available cash shall be made only to Members at the times and in the aggregate amounts determined by the Manager. Such distributions shall be paid to the Members as follows:

(i) first, to the Members, pro rata in accordance with their Unreturned Capital, until each Class A Member has received aggregate distributions under this Section 6.01(a)(i) in an amount equal to its Unreturned Capital; and

(ii) then, to all Members, pro rata in accordance with their Membership Interests.

(b) Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make any distribution to Members if such distribution would violate Section 17704.05 of RULLCA or other Applicable Law.

ARTICLE VII
TRANSFERS

Section 7.01 General Restrictions on Transfer.

(a) Except as permitted pursuant to Section 7.02, no Member shall Transfer all or any portion of its Membership Interest in the Company, except with the written consent of the Manager.

(b) Notwithstanding any other provision of this Agreement (including Section 7.02), each Member agrees that it will not Transfer all or any portion of his, her, or its Membership Interest in the Company, and the Company agrees that it shall not issue any Membership Interests:

(i) except as permitted under the Securities Act and other applicable federal or state securities or blue sky laws, and then, with respect to a Transfer of Membership Interests, only upon delivery to the Company of an opinion of counsel in form and substance satisfactory to the Company to the effect that such Transfer may be effected without registration under the Securities Act;

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(ii) if such Transfer or issuance would affect the Company's existence or qualification as a limited liability company under RULLCA;

(iii) if such Transfer or issuance would cause the Company to be required to register as an investment company under the Investment Company Act of 1940, as amended; or

(iv) if such Transfer or issuance would cause the assets of the Company to be deemed "Plan Assets" as defined under the Employee Retirement Income Security Act of 1974 or its accompanying regulations or result in any "prohibited transaction" thereunder involving the Company.

(c) Any Transfer or attempted Transfer of any Membership Interest (in full or in part) in violation of this Agreement shall be null and void, no such Transfer shall be recorded on the Company's books and the purported Transferee in any such Transfer shall not be treated (and the purported Transferor shall continue to be treated) as the owner of such Membership Interest for all purposes of this Agreement.

(d) Except as provided in Section 10.01(c), no Transfer (including a Permitted Transfer) of Membership Interests to a Person not already a Member of the Company shall be deemed completed until the prospective Transferee (including a Permitted Transferee) is admitted as a Member of the Company in accordance with **Error! Reference source not found.** hereof.

(e) Except as provided in Section 10.01(c), for the avoidance of doubt, any completed Transfer of a Membership Interest permitted or authorized by this Agreement shall be deemed a sale, transfer, assignment, or other disposal of such Membership Interest in its entirety as intended by the parties to such Transfer, and shall not be deemed a sale, transfer, assignment, or other disposal of any less than all of the rights and benefits described in the definition of the term "Membership Interest," unless otherwise explicitly agreed to by the parties to such Transfer.

Section 7.02 Permitted Transfers and Right of First Refusal on Voluntary Transfers.

(a) Permitted Transfers. The provisions of Section 7.01(a) shall not apply to any Transfer by any Member of all or any portion of its Membership Interest to any of the following (each, a "**Permitted Transferee**" and any such Transfer to a Permitted Transferee, a "**Permitted Transfer**"):

(i) Any Affiliate of such Member;

(ii) The Company;

(iii) A Member in good standing under this Agreement at the time the transferring Member Transfers any of its Membership Interests;

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(iv) An equity owner of the transferring Member as a result of a liquidation or reorganization of such transferring Member;

(v) A transferee approved by the Manager and all of the Members; or

(vi) With respect to a member that is an individual: (A) such Member's Spouse, parents, siblings, descendants (including adoptive relationships and stepchildren), and the Spouses of each such natural person (collectively, "**Family Members**"); (B) a trust under which the distribution of Membership Interests may be made only to such Member or any Family Member of such Member; (C) a charitable remainder trust, the income from which will be paid to such Member during his or her life; (D) a corporation, partnership, or limited liability company, the shareholders, partners, or members of which are only such Member or Family Members of such Member; or (E) to such Member's executors, administrators, testamentary trustees, legatees, or beneficiaries by will or by the laws of intestate succession.

(b) Voluntary Transfer. A Member is permitted to make a voluntary Transfer of such Member's Units subject to compliance with the provisions of this Section 7.02(b); provided, however, Transfers to Permitted Transferees shall not be subject to this Section 7.02(b).

(i) Transfer Notice. If a Member desires to Transfer any portion of its Membership Interest, then such Member (the "**Selling Owner**") shall notify the Company and each other Members in writing (the "**Transfer Notice**") of (A) the portion of its Membership Interest to be transferred (the "**Offered Units**"), (B) the identity of the proposed transferee, (C) the consideration to be paid by the proposed transferee, expressed as a fixed dollar amount, and (D) the terms of the proposed Transfer, including the payment terms in the case of a proposed sale or exchange.

(ii) Option.

(A) When the Transfer Notice is given to the Company, the Company shall have the option (the "Company's Option") to purchase all or any portion of the Offered Units at the same price and upon the same terms as set forth in the Transfer Notice. The Company shall give written notice (the "Company's Notice") of its decision whether or not to exercise the Company's Option within five (5) days after the Transfer Notice is given to the Company.

(B) If the Company does not exercise the Company's Option or only exercises the Company's Option with respect to a portion of the Offered Units, the Members shall have the option (the "Members' Option") to purchase all or any portion of the Offered Units not elected to be purchased by the Company (the "**Remaining Units**") at the same price and upon the same terms as set forth in the Transfer Notice. If all or any Members desire to exercise the Members' Option, they shall give written notice to that effect to the Selling

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Owner and the Company within (i) five (5) days after the Company's Notice is given to the Members or (ii) ten (10) days after the Transfer Notice is given to the Company, if the Company failed to deliver the Company's Notice as specified above in Section 7.02(b)(ii)(A).

(C) If the Company's Option and/or the Members' Option is so exercised with respect to all, but not less than all, of the Offered Units, then a purchase and sale agreement shall be deemed to have been created among the Company and/or Members having given written notice of a desire to purchase all of the Offered Units, as purchasers (the "**Purchasers**") (except as determined below, each such Purchaser individually purchasing the portion of the Offered Units indicated in such Purchaser's written notice of exercise), and the Selling Owner, as seller, providing for the purchase and sale of all or the applicable portion of the Offered Units. Notwithstanding the provisions of the preceding sentence, if the notices from the Purchasers indicate a desire to purchase, in the aggregate, more than the Offered Units, then, unless the Purchasers unanimously agree among themselves as to a different allocation, the Company shall purchase the entire portion of the Offered Units that it desires to purchase and, if applicable, each other Purchaser shall purchase that portion of the Remaining Units (up to the portion indicated in such Purchaser's written notice of exercise) which bears the same ratio to the total Remaining Units as the Membership Interests of such Purchaser bears to the total Membership Interests of all Purchasers. The provisions of the preceding sentence will be reapplied as necessary (excluding Purchasers who have been allocated the portion of the Offered Units they indicated a desire to purchase in their written notices) until all of the Offered Units have been allocated among the Purchasers.

(iii) Procedure. The purchase and sale of any Units pursuant to an exercise of the Company's Option and/or the Members' Option shall be consummated not more than thirty (30) days after the expiration of the later of the Company's Option or the Members' Option exercise period with respect to such Offered Units, by the payment of the purchase price by the Purchaser(s) against the delivery by the Selling Owner of a written instrument of assignment and Transfer in such form as the Manager shall specify (or, if the Manager or its Affiliate is the Selling Member, in such form as a Majority of the Non-Manager Members shall specify), which shall include the Selling Owner's written representations and warranties with respect to its good and marketable title to the Offered Units, free and clear of any liens, encumbrances, or adverse claims, its full capacity and legal right to Transfer the Offered Units to the Purchasers and its right to Transfer the Offered Units to the Purchasers without the consent or action of any third party, other than as provided herein.

(iv) Transfer Permitted. If and to the extent the parties granted the Company's Option or the Members' Option to purchase pursuant to this Section 7.02(b) do not elect to exercise such Company's Option and/or the Members' Option for all of the Offered Unit within the time period provided herein, then at the expiration of the Company's Option and the Members' Option

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period pursuant to this Section 7.02(b), the Selling Owner shall be entitled for a period of ninety (90) days (but not thereafter without first having again complied with the provisions of this Section 7.02(b)) to Transfer the Offered Units to the proposed transferee identified in the Transfer Notice, at the same price per Unit and on the same terms as set forth in the Transfer Notice, subject, however, to the other applicable provisions of this Agreement. The proposed transferee will be admitted as a Member only in accordance with Section 7.06.

(v) Limitations. Notwithstanding anything provided in Section 7.02(b) to the contrary, in no event shall a Member be allowed to engage in a voluntary Transfer under this Section 7.02(b) to the following transferees that: (1) a transferee who is ineligible to be an owner of a cannabis business under Applicable Law; or (2) a transferee who is an Adverse Party to the Company or any of its Affiliates. The term "**Adverse Party**" means any individual, group, company, union, governmental body or other entity, that engages in any business activity that is in competition with the Company or any of its Affiliates, as determined in the reasonable discretion of the Manager (or, if the Manager or its Affiliate is the Selling Owner, in the reasonable discretion of a Majority of the Non-Manager Members).

Section 7.03 Option to Purchase upon Specified Events.

(a) Option Events. Upon the occurrence of any of the following events (each referred to hereinafter as an "**Option Event**") affecting a Member (the "**Affected Member**"), the Company and then the unaffected Members shall have the option to purchase the Units of such Affected Member as described in Section 7.03(b), for the price and upon the terms set forth in Sections 7.03(c) and 7.03(d) of this Agreement: (i) the maintenance of any proceeding initiated by or against the Affected Member under any bankruptcy or debtors' relief laws of the United States or of any other jurisdiction, which proceeding is not terminated within ninety (90) days after its commencement; (ii) a general assignment for the benefit of the creditors of the Affected Member; (iii) a levy upon the Affected Member's Units pursuant to a writ of execution or subject to the authority of any governmental entity, which levy is not removed within thirty (30) days, to extent of the Affected Member's Units subject to such levy; (iv) the Affected Member ceases to be permitted to hold the Affected Member's Units under Applicable Law; (v) if, as a result of the Affected Members willfully, wanton, or negligent conduct, it becomes (or is reasonably certain to become, as determined in the Manager's sole discretion) unlawful to carry on the Company's business activities with the Affected Member continuation as a Member; (vi) the death of the Affected Member, unless all of the Member's Units are transferred to a Permitted Transferee of such Member upon death; and (vii) the entry of a final judgment of dissolution of marriage of the Affected Member if, in connection with such dissolution, the spouse of such Affected Member is awarded or transferred all or any portion of such Affected Member's Units (or any interest therein) as a result of or in connection with a property settlement agreement or otherwise, but in such event such option to purchase shall extend only to the Units or interest therein that is so awarded or transferred to the ex-spouse of such Affected Member. All of the Affected Member's Units in the case of clause (i), (ii) or (iv) above, or that portion of the Affected

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Member's Units that is the subject of levy in the case of clause (iii) above, or that portion of the Affected Member's Units that are not transferred to a Permitted Transferee upon death in the case of clause (v) above, or that portion of the Affected Member's Units that is or will be awarded or transferred to the Affected Member's ex-spouse in the case of clause (vii), is hereinafter referred to as the "**Affected Units**."

(b) Exercise of Option. The Affected Member or his/her/its legal representative shall give written notice to the Company and the other Members upon the occurrence of an Option Event. Upon receipt of written notice of the occurrence of an Option Event and for a period of thirty (30) days thereafter, the Company shall have the first option to purchase all or any portion of the Affected Units, provided that in the event of the dissolution of the marriage of an Affected Member, the divorced Affected Member shall have, during the first fifteen (15) days of such thirty (30) day period, a concurrent but priority right to purchase the Affected Units or interest therein that has been awarded or transferred to his or her spouse as a result of or in connection with the dissolution of his or her marriage. In the event that the Company, and, in any situation where an Affected Member has such a concurrent but priority option to purchase, such Affected Member, do not elect to purchase all of the Affected Units within such thirty (30) day period, the Company shall forthwith notify each of the unaffected Members of the election not to purchase all or a portion of the Affected Units and such Members shall then have the option for a period of fifteen (15) days from the receipt of such notice to purchase that portion of the Affected Units not purchased by the Company and/or the divorced Affected Member. Within fifteen (15) days after the receipt of such notice, any of the unaffected Members desiring to acquire any part or all of the Affected Units ("**Purchasing Members**") shall deliver to the Company a written election to purchase such Affected Units or a specified portion thereof. If the total amount of the Affected Units specified in such elections exceeds the actual amount of the Affected Units to be transferred, then, unless the Purchasing Members have unanimously agreed otherwise, each such Purchasing Member shall have priority, up to the portion of the Affected Units specified in his/her/its notice of election to purchase, to purchase such proportion of the Affected Units to be transferred as the Units which he/she/it holds bears to the total Units held by all Purchasing Members electing to purchase. The provisions of the preceding sentence will be reapplied as necessary (excluding Purchasing Members who have been allocated the portion of Units they indicated a desire to purchase) until all of the Units available for purchase have been allocated among the Purchasing Members.

(c) Notice of Exercise of Option. If the Company and/or the Purchasing Member(s) elect to purchase Affected Units, the Company shall give notice of such election, setting forth the portion of such Affected Units to be purchased by each such purchaser, by giving written notice of such election to the Affected Member and, if applicable, his/her/its receiver or trustee in bankruptcy, the creditor who secured a levy upon the Affected Member's assets, or such Affected Member's legal representative or spouse, as the case may be. Such notice shall be given within thirty (30) days after the Company's receipt of notice of the Option Event giving rise to the option to purchase in the event the Company elects to purchase Affected Units, or within fifteen (15) days after the Members have received notice of the Company's election not to purchase all of such

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Affected Units in the event all or a portion of the Affected Units is to be purchased by any Purchasing Member(s).

(d) Determination of Purchase Price. The purchase price to be paid by the Company and/or Purchasing Members upon the exercise of any option to purchase the Affected Units under Section 7.03(b) above shall be the "**Fair Market Value**" of the Affected Units.

(i) Fair Market Value. The Fair Market Value of the Affected Units to be purchased by the Company and/or Purchasing Members shall be determined as of the date of the Option Event, as determined by agreement of the Affected Member, as one party, and the Company, as another party (unless the Purchasing Members purchase a majority of the Affected Units, in which case the Purchasing Members shall be the other party) (the "**Buying Party**," as the case may be). If the Affected Member and the Buying Party are unable to agree upon a value of the Affected Units within thirty (30) days following the notice of exercise of the option pursuant to Section 7.03(c) above, the Affected Member and the Buying Party shall each appoint, at the Company's cost, within fifteen (15) days following the expiration of the time for mutual agreement, an independent qualified appraiser (as so timely appointed, a "**Qualified Appraiser**"), who shall be a professional appraiser reasonably qualified by experience and ability to appraise the ownership interests of a closely held business. If both Qualified Appraisers agree on the Fair Market Value of the Affected Units, their opinion shall be conclusive and binding. If only one of the parties timely appoints a Qualified Appraiser, that appraiser's written opinion on the Fair Market Value shall be conclusive and binding. If, however, the two (2) Qualified Appraisers disagree on the Fair Market Value, then they shall appoint a third Qualified Appraiser mutually acceptable to them within fifteen (15) days after completion of the last of the two (2) Qualified Appraisers' determination of value. The fees and expenses of the third Qualified Appraiser shall be the responsibility of the Company and/or the Purchasing Members (in proportion to the portion of the Affected Units to be acquired from the Affected Member by each such party). The third Qualified Appraiser shall, within 30 days of his, her or its appointment, make a written determination of the Fair Market Value. Upon completion of such third appraisal, the median value of the three (3) appraisals shall be the Fair Market Value of the Affected Units for purposes of this Section 7.03.

(ii) Limitations. The Fair Market Value of the Affected Units to be purchased by the Company and/or Purchasing Members shall be determined as of the date of the Option Event, as determined by agreement of the Affected Member, as one party, and the Company, as another party (unless the Purchasing Members purchase a majority of the Affected Units, in which case the Purchasing Members shall be the other party) (the "**Buying Party**," as the case may be).

(iii) Binding Effect. For all purposes of this Section 7.03, the value determined pursuant to this Section 7.03(d) shall be conclusive and binding upon the parties to this Agreement (including, without limitation, the Affected

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Member), their respective legal representatives, their respective successors in interest, and the Members' respective spouses (including, without limitation, any Affected Member's ex-spouse, as contemplated by clause Section 7.03(a)).

(e) Payment of Purchase Price.

(i) Form of Payment. Each particular purchaser (i.e., the Company or any Purchasing Member) may pay, in his/her/its discretion, the purchase price for his/her/its portion of the Affected Units in cash, debt (via a negotiable promissory note (a "**Note**"), or capital stock in SCH ("**SCH Stock**") or a combination of the three (subject to any applicable tax withholding). If a Note will be used as payment of such purchase price, then the purchaser shall execute and deliver such Note in the principal amount determined by subtracting the aggregate purchase price to be so paid by such purchaser less the amount of any upfront cash to be paid by such purchaser as part of such purchase price. The Note will be in a form approved by the Board, which Note will require equal quarterly payments of principal and interest over a period of four years, with interest at the lowest applicable federal rate at the time the Note is issued. The Note will be secured by a pledge of the purchased Units and will be non-recourse to the other assets of the Buying Party. The purchase price shall be paid, including such cash and any such Note, subject to any applicable tax withholding, by delivery thereof to the Affected Member or, in the case of an Option Event falling within clause (vi) of Section 7.03(a), his or her spouse, no later than thirty (30) days following the later of: (A) the giving of notice pursuant to Section 7.03(c) containing the election of the Company and/or the Purchasing Members, to purchase the Affected Units; or (B) if applicable, receipt of the decision of the appraiser(s) as to the value of the Affected Units under Section 7.03(d).

(ii) Agreement to Transfer. Each Affected Member agrees that, upon receipt of the purchase price for the Affected Units being transferred under this Section 7.03, including, without limitation, any Note(s) being provided as payment of such purchase price, such Member or his/her/its legal representative shall deliver all documents which are required to transfer the Affected Units to the Company and/or the Purchasing Member(s), including, without limitation, a written instrument of assignment and Transfer in such form as the Manager shall specify (or, if the Manager or its Affiliate is the Affected Member, in such form as a Majority of the Non-Manager Members shall specify), which shall include the Affected Member's or its legal representative's written representations and warranties with respect to its good and marketable title to the Affected Units, free and clear of any liens, encumbrances, or adverse claims, its full capacity and legal right to Transfer the Affected Units and its right to Transfer the Affected Units without the consent or action of any third party, other than as provided herein. If the Affected Member or such legal representative refuses to do so, the Company shall nevertheless enter the transfer on its Member records and hold such consideration available for the Affected Member, and thereafter all voting rights (if any) of such Affected Units shall be exercised by the designated transferees of such Affected Units under this Agreement.

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(iii) Binding on Ex-Spouses. This Section 7.03 shall be binding, with respect to any Option Event falling within clause (vi) of Section 7.03(a), on the Affected Member and his or her ex-spouse with respect to any Affected Units that at any time is awarded or transferred to such ex-spouse in connection with the dissolution of marriage of such Affected Member and such ex-spouse.

(f) Special Rules for Manager's Units. If the Manager's or its Affiliate's Units are the Affected Units, then all decisions, elections and approvals to be made by the Company or the Manager pursuant to this Section 7.03 shall instead be made by a Majority of the Non-Manager Members.

(g) Options Not Fully Exercised. If the Company's and the other Members option to purchase the Affected Units are not fully exercised, then the transferee of the Affected Units shall, with regard to such Affected Units, have no right to require any information or accounting of the Company's transactions, to inspect the Company's books or to vote on Company matters. In addition, such transferee shall only be entitled to receive the share of distributions to which the transferor would otherwise have been entitled, unless otherwise prohibited in this Agreement.

Section 7.04 [Intentionally Omitted]

Section 7.05 [Intentionally Omitted]

Section 7.06 Admission of Substituted Member. If a Transfer pursuant to Section 7.02 is to be consummated and if the subject transferee is not, prior to such consummation, a Member, then the transferee of such Transfer shall be admitted to the Company as a substituted Member subject to satisfaction of the following conditions: (a) the Transfer is consummated in compliance with this Agreement; (b) the Manager approves the form and content of the instruments and documents regarding such Transfer; (c) the transferee accepts and adopts in writing all of the terms and conditions of this Agreement, as then in effect; (d) the transferor Member or the transferee pays all costs and expenses incurred by the Company in connection with such admission, including, without limitation, legal and accounting fees; (e) the transferor and transferee have provided the Company with such information, documentation and forms requested by the Company to determine whether any withholding applies to the Transfer and evidence satisfactory to the Company that any such applicable withholding was done in compliance with Applicable Law; and (f) upon admission, the Schedule of Members shall be amended accordingly.

Section 7.07 Restrictions on Transferees. A transferee of all or any part of a Member's Units who does not become a substituted Member as provided in Section 7.03 shall have no right to require any information or accounting of the Company's transactions, to inspect the Company's books or to vote on Company matters. In addition, such transferee shall only be entitled to receive the share of distributions to which the transferor would otherwise have been entitled, unless otherwise prohibited in this Agreement.

Section 7.08 No Effect to Transfers in Violation of this Agreement; Specific Performance. Any purported Transfer of any Membership Interests in violation of this

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ARTICLE VII shall be null and void *ab initio* and the purported transferee shall not become a Member of the Company or a holder of an economic interest in the Company. In addition, each Member agrees that an action at law would not be an adequate remedy for a breach or default by, or threatened breach or default by, such Member of the provisions of this ARTICLE VII. As such, each Member agrees that in the event of any such breach or default or threatened breach or default, in addition to all other remedies provided elsewhere in this Agreement or by Applicable Law, the Company and the non-violating Member(s) shall be entitled to relief in equity (including a temporary restraining order, temporary or preliminary injunction, and mandatory or prohibitory injunction) to restrain the continuation of such breach or default, the occurrence of such threatened breach or default, or to compel compliance with such provisions of this Agreement.

ARTICLE VIII
EXCULPATION AND INDEMNIFICATION

Section 8.01 No Personal Liability: Members; Manager.

(a) Except as otherwise provided by RULLCA, by Applicable Law, or expressly in this Agreement, no Member will be obligated personally for any debt, obligation, or liability of the Company or other Members, whether arising in contract, tort, or otherwise, solely by reason of being or acting as a Member.

(b) Except as otherwise provided by RULLCA, by Applicable Law, or expressly in this Agreement, no Manager will be obligated personally for any debt, obligation, or liability of the Company, whether arising in contract, tort, or otherwise, solely by reason of being or acting as a Manager.

Section 8.02 Indemnification.

(a) To the fullest extent permitted under RULLCA (after waiving all RULLCA restrictions on indemnification, other than those which cannot be eliminated thereunder), as the same now exists or may hereafter be amended, substituted, or replaced (but, in the case of any such amendment, substitution, or replacement, only to the extent that such amendment, substitution, or replacement permits the Company to provide broader indemnification rights than RULLCA permitted the Company to provide before such amendment, substitution, or replacement), the Company shall indemnify, hold harmless, defend, pay, and reimburse any Covered Person against any and all losses, claims, damages, judgments, fines, or liabilities, including reasonable legal fees or other expenses, and any amounts expended in settlement of any claims (collectively, "**Losses**") to which such Covered Person may become subject by reason of:

(i) any act or omission or alleged act or omission performed or omitted to be performed on behalf of the Company, any Member, the Manager, or any of their respective direct or indirect subsidiaries in connection with the business of the Company; or

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(ii) such Covered Person being or acting in connection with the business of the Company as a member, shareholder, partner, Affiliate, manager, director, office, employee, agent, or representative of the Company, any Member, the Manager, or any of their respective Affiliates, or such Covered Person serving or having served at the request of the Company as a member, manager, director, officer, employee, agent, or representative of any Person including the Company; provided, that such Loss did not arise from (A) the Covered Person's conduct involving bad faith, willful or intentional misconduct, or a knowing violation of law, (B) a transaction from which such Covered Person derived an improper personal benefit, (C) a circumstance under which the liability provisions for improper distributions of Section 17704.06 of RULLCA are applicable, or (D) a breach of such Covered Person's duties or obligations under Section 17704.09 of RULLCA (taking into account any restriction, expansion, or elimination of such duties and obligations provided for in this Agreement).

(b) The Company shall promptly reimburse (or advance to the extent reasonably required) each Covered Person for reasonable legal or other expenses (as incurred) of such Covered Person in connection with investigating, preparing to defend, or defending any claim, lawsuit, or other proceeding relating to any Losses for which such Covered Person may be indemnified pursuant to this Section 8.02; provided, that if it is finally judicially determined that such Covered Person is not entitled to the indemnification provided by this Section 8.02, then such Covered Person shall promptly reimburse the Company for any reimbursed or advanced expenses.

(c) The provisions of this ARTICLE VIII shall survive the dissolution, liquidation, winding up, and termination of the Company.

ARTICLE IX
ACCOUNTING AND TAX MATTERS

Section 9.01 Inspection Rights. Upon reasonable notice from a Member or Permitted Transferee, the Company shall afford the Member or Permitted Transferee and its respective representatives access during normal business hours to the corporate, financial, and similar records, reports, and documents of the Company, and shall permit the Member or Permitted Transferee and its respective representatives to examine such documents and make copies thereof, in each case to the extent such information is for a purpose reasonably related to the Member's or Permitted Transferee's interest as a Member or Permitted Transferee.

Section 9.02 Tax Classification. From and after the Effective Date, the Company will elect to be classified for federal income tax purposes as an association taxable as a corporation. Accordingly, in general, non-liquidating distributions from the Company to the Members will be treated for federal income tax purposes: (a) first, as a taxable dividend, to the extent of the Company's current and accumulated earnings and profits; (b) thereafter, if any, as a return of capital reducing the recipient's adjusted tax basis in its Units; and (c) thereafter, if any, as gain on the sale or exchange of Units. Distributions may be taxed differently in certain circumstances, and the Company makes no representations, warranties, or promises about how a particular future distribution will be taxed to the Members. The Members are encouraged to consult their

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own tax advisors about the tax treatment of distributions from the Company and the potential impact, without limitation, of Tax Code Sections 301, 302, 305, 306, 307, 331, 332, and 334 based on the Member's particular facts.

Section 9.03 Member Agreement.

(a) Each Member agrees to timely furnish the Company with any representations and forms as are reasonably requested by the Company to assist it in determining the extent of, and in fulfilling, any withholding obligations the Company may have and represents and warrants that the information, forms and certifications furnished by it shall be true, correct and complete in all material respects. The Company shall withhold any taxes, fees or other charges the Company is required to withhold or pay under Applicable Law with respect to any Member (including any interest, penalties and additions to tax imposed thereon and any liability with respect to any Imputed Underpayment Amounts required to be paid on behalf of, or with respect to, such Member or any former Member whose former interest in the Company is held by such Member) ("**Withheld Amounts**"). Any Withheld Amounts shall be treated as if the same had been distributed to that Member pursuant to Section 6.01 or Section 10.01, as applicable. Any other amount required to be paid by the Company to a taxing authority with respect to a Member pursuant to any federal, state, local or foreign tax law in connection with any payment to or tax liability (estimated or otherwise) of the Member shall be treated as a loan from the Company to that Member. If such loan is not repaid within thirty (30) calendar days from the date the Company notifies that Member of the withholding, the loan shall bear interest at an annual rate equal to the lesser of (a) ten percent (10%) per annum or (b) the highest nonusurious rate permitted by Applicable Law under such circumstances from the date of the applicable notice to the date of repayment. In addition to all other remedies the Company may have, the Company may withhold distributions that would otherwise be payable to that Member and apply those distributions instead to the repayment of the loan and accrued interest. The provisions contained in this Section 9.03 shall survive the termination of the Company, the termination of this Agreement and, with respect to any Member, the transfer or assignment of any portion of such Member's interest in the Company.

Section 9.04 Tax Elections. Any elections or other decisions relating to tax matters shall be made by the Manager in any manner that reasonably reflects the purpose and intention of this Agreement. Notwithstanding the foregoing sentence, any election resulting in the Company being taxed for federal income tax purposes other than as an association taxable as a corporation shall require the consent of Members holding at least seventy percent (70%) of the Membership Interests.

Section 9.05 Tax Returns.

(a) At the expense of the Company, the Manager will cause the preparation and timely filing (including extensions) of all tax returns required to be filed by the Company pursuant to the Tax Code as well as all other required tax returns in each jurisdiction in which the Company owns property or does business. As soon as reasonably possible after the end of each Fiscal Year, the Manager will deliver to each

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Member, Company information necessary for the preparation of such Member's federal, state, and local income tax returns for such Fiscal Year.

(b) Each Member agrees that such Member shall not treat any Company item on such Member's federal, state, foreign, or other income tax return inconsistently with the treatment of the item on the Company's return.

Section 9.06 Tax Code Section 280E Compliance. To the extent required by law, the Company will comply with the deduction limits under Tax Code Section 280E applicable to a taxpayer who is "trafficking in controlled substances" (within the meaning of Tax Code Section 280E). To the extent that the Company determines its taxable income with an adjustment to its gross revenues for cost of goods sold, then, to the extent required by then-current law: (a) the determination of cost of goods sold must be made in accordance with Tax Code Section 280E, applicable case law under Tax Code section 280E, and Internal Revenue Service guidance issued with respect to Tax Code Section 280E (including, without limitation, Internal Revenue Service Chief Counsel Memorandum 201504011); and (b) the cost of goods sold will be determined by applying the inventory accounting methods prescribed in Treasury Regulations Sections 1.471-3 and 1.471-11, as applicable. Notwithstanding the foregoing, the Manager may deviate from this Section 9.06 to the extent the Manager, after seeking and receiving advice from tax professionals, believes it is in the best interest of the Company to deviate from the accounting standards set-forth herein.

ARTICLE X
DISSOLUTION AND LIQUIDATION

Section 10.01 Events of Dissolution. The Company shall be dissolved and its affairs wound up only upon the occurrence of any of the following events:

(a) An election to dissolve the Company made by the Manager and Members holding at least seventy percent (70%) of the Membership Interests;

(b) The sale, exchange, involuntary conversion, or other disposition or Transfer of all or substantially all the assets of the Company;

(c) The passage of 90 consecutive days during which the Company has no Members; provided that upon the death of a natural person who is the sole Member of the Company, the status of the Member, including a Membership Interest, may pass to one or more heirs, successors, and assigns of the Member by will or Applicable Law. An heir, successor, or assign of the Member's Membership Interest becomes a substituted Member pursuant to Section 17704.01(c)(4) of RULLCA, subject to administration as provided by Applicable Law, without the permission or consent of the heirs, successors, or assigns or those administering the estate of the deceased Member; or

(d) The entry of a decree of judicial dissolution under Section 17707.03 of RULLCA.

Section 10.02 Winding Up and Liquidation.

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(a) Upon dissolution, the Company shall immediately commence to wind up its affairs in accordance with RULLCA and the provisions of this Article.

(b) The Manager shall act as liquidator (the "**Liquidator**"). The Liquidator shall have full power and authority to sell, assign, and encumber any or all of the Company's assets (including the discretion to defer the liquidation of any asset if the immediate sale of the asset would be impractical or cause undue loss to the Members) and to wind up and liquidate the affairs of the Company in an orderly and business-like manner in accordance with RULLCA.

(c) The Liquidator shall give written notice of the commencement of winding up by mail to all known creditors of the Company and claimants against the Company whose addresses appear on the records of the Company.

(d) Notwithstanding this Section 10.02, in the event that the Liquidator shall determine in good faith, after consultation with the Members, that a sale or other disposition of part or all of the Company's assets would cause undue loss to the Members or otherwise be impractical, the Liquidator may either defer liquidation of, and withhold from distribution for a reasonable time (but not more than twelve (12) months from the date of dissolution unless a longer period is approved by the Members owning at least seventy percent (70%) of the Membership Interests), any such investments or distribute part or all of such investments, pro rata, to the Members in-kind. Distributions consisting of cash or in-kind distribution of securities shall be made, to the extent practicable, in pro rata portions of cash and such securities as to each Member receiving such distributions.

Section 10.03 Distribution of Assets. The Liquidator shall liquidate the assets of the Company and distribute the proceeds in the following order of priority, unless otherwise required by mandatory provisions of RULLCA or other Applicable Law:

(a) First, to the payment of the Company's known debts and liabilities to its creditors (including Members, if applicable);

(b) Second, to the expenses of liquidation (including sales commissions incident to any sales of assets of the Company);

(c) Third, to the establishment of, and additions to, reserves that are determined by the Liquidator to be reasonably necessary for any contingent unknown liabilities or obligations of the Company; and

(d) Fourth, to the Members, in accordance with Section 6.01.

Section 10.04 Distribution of Assets in Kind. After all debts of the Company have been paid, the Manager may determine (which determination shall be binding on all Members) to distribute all or a portion of the assets of the Company in kind.

Section 10.05 Required Filings. Upon the occurrence of an event described in Section 10.01 and upon completion of the distribution of assets as provided in Section 10.03,

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respectively, the Liquidator shall make all necessary filings required by RULLCA, including any required certificate of dissolution or certificate of cancellation.

ARTICLE XI
STANDARD OF CARE; COMPETITION AND OUTSIDE INTEREST; CONFIDENTIALITY

Section 11.01 Standard of Care.

(a) To the fullest extent permitted by the RULLCA and other Applicable Law as a manager-managed limited liability company, neither any Member nor the Manager shall owe any duty, including, without limitation, any fiduciary duty of loyalty or care (subject, in the case of the Manager, to Section 11.02(b), to the Company, any other Member or any other person or entity party to or otherwise bound by this Agreement except to the extent otherwise expressly set forth in this Agreement or in other written agreements to which such Person is a party or by which it is bound. To the extent that such duties cannot be eliminated, such duties shall be limited and modified to the fullest extent permitted by the RULLCA and other Applicable Law and as specifically set forth in Sections 11.02 and 11.03; provided, however, that the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing.

(b) To the fullest extent permitted by the RULLCA and other Applicable Law, the fiduciary duties of the Manager shall be the following:

(i) Duty of loyalty, which shall be limited to (A) accounting to the Company and holding as trustee for it any property, profit, or benefit derived by the Manager in the conduct and winding up of the activities of the Company or derived from a use by the Manager of the Company's property, including the appropriation of a Company opportunity (subject to Sections 11.02 and 11.0.3); (B) refraining from dealing with the Company in the conduct or winding up of the activities of the Company as or on behalf of a person having an interest adverse to the Company; and (C) refraining from competing with the Company in the conduct or winding up of the activities of the Company (subject to Sections 11.02 and 11.0.3); and

(ii) Duty of care in the conduct and winding up of the activities of the Company, which shall be limited to refraining from engaging in grossly negligent or reckless conduct, intentional misconduct, or a knowing violation of law.

The foregoing are duties are further limited and modified as set forth in Sections 11.02 and 11.03, and the Members hereby acknowledge and agree that such limitations and modifications are reasonable in all respects; provided, however, that the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing.

Section 11.02 Transactions with any Manager or Member. The Manager or any Member may, and may cause any of his/her/its Affiliates to, engage in, notwithstanding that it may constitute a conflict of interest, any transaction (including, without limitation, the purchase,

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sale, lease or exchange of any property, the lending of money, the rendering of any service or the establishment of any salary, other compensation or other terms of employment) with the Company so long as such transaction (a) is approved by the Manager (if the Manager or its Affiliate(s) is not a party to or beneficiary of such transaction), or (b) otherwise is on terms no less favorable to the Company than it reasonably could expect to receive from an unaffiliated third party in an arms'-length transaction. Notwithstanding the foregoing, in no event will any Member, the Manager, mor any Affiliate of any Member or the Manager, loan funds to the Company unless each Member is given the opportunity to loan its pro rata share of such funds (based on relative Unit ownership) on the same terms.

Section 11.03 Competition and Outside Activities. In view of the limited purposes of the Company, no Member shall have any fiduciary obligations with respect to the Company or to the other Members insofar as making other investment opportunities available to the Company or to the other Members. Each Member may, notwithstanding the existence of this Agreement, engage in whatever activities such Member may choose without having or incurring any obligation to offer any interest in such activities to the Company or to the other Members.

Section 11.04 Confidentiality. All books, records, financial statements, tax returns, budgets, business plans and projections of the Company, all other information concerning the business, affairs and properties of the Company and all of the terms and provisions of this Agreement ("Confidential Information"), in each case shall be held in confidence by each Member and his/her/its respective affiliates, subject to any obligation to comply with (a) any Applicable Law, (b) any rule or regulation of any legal authority or securities exchange or (c) any subpoena or other legal process to make information available to the persons entitled thereto. Such confidentiality shall be maintained to the same degree as such Member maintains his/her/its own confidential information (but in no event to a lesser degree than a reasonable person would maintain his/her/its confidential information) and shall be maintained until such time, if any, as any such confidential information either is, or becomes, published or a matter of public knowledge through no fault, directly or indirectly, of such Member or any of its affiliates, agents or representatives.

ARTICLE XII
DEFINITIONS

Section 12.01 Definitions. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in this Section 12.01, and when not otherwise defined shall have the meanings set out in RULLCA:

"**Affiliates**" means, with respect to any Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person. For purposes of this definition, "control" when used with respect to any specified Person, shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise; and the terms "controlling" and "controlled" shall have correlative meanings.

"**Agreement**" has the meaning set forth in the Preamble.

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"**Applicable Law**" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any governmental authority, including, without limitation, the California Compassionate Use Act, California Senate Bill 94, California Senate Bill 97, the Medical and Adult-Use Cannabis Regulation and Safety Act, the City of Santee Municipal Code, and any additional, amended, supplemental or replacement laws or implementing regulations in the State of California, or the applicable local jurisdictions, pertaining to adult-use and medical cannabis cultivation, dispensing, sale, storage, manufacturing, distribution, transportation, testing or other commercial cannabis activities within its jurisdiction; provided, however, that "Applicable Law" shall not mean the Federal Controlled Substances Act of 1970.

"**Articles of Organization**" means the articles of organization of the Company, as they may be amended or restated from time to time.

"**Capital Contributions**" has the meaning set forth in Section 3.03(a).

"Competitive Activity" is defined in Section 11.03.

"**Tax Code**" means the Internal Revenue Code of 1986, as amended.

"**Company**" has the meaning set forth in the Preamble.

"Company's Notice" has the meaning set forth in Section 7.02(b)(ii)(A).

"Company's **Option**" has the meaning set forth in Section 7.02(b)(ii)(A).

"**Covered Person**" means (i) each Member, including the Manager; (ii) each Manager or Officer of the Company; and (iii) each person serving as a legal representative of a Member or the Manager in connection with matters relating to the Company.

"**Effective Date**" has the meaning set forth in the Preamble.

"**Enterprise**" means the operation of a retail cannabis dispensary owned by the Company and located in Santee, California.

"**Electronic Transmission**" means (a) facsimile telecommunication, (b) email, (c) posting on an electronic message board or network that the Company has designated for communications (together with a separate notice to the recipient of the posting when the transmission is given by the Company), or (d) other means of electronic communication where the recipient has consented to the use of the means of transmission (or, if the transmission is to the Company, the Company has placed in effect reasonable measures to verify that the sender is the Member or Manager purporting to send the transmission) and the communication creates a record that is capable of retention, retrieval, and review and may be rendered into clearly legible tangible form.

"**Family Members**" has the meaning set forth in Section 7.02(b)(vi).

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"**Fiscal Year**" means the calendar year, unless the Company is required or elects to have a taxable year other than the calendar year, in which case Fiscal Year shall be the period that conforms to its taxable year.

"**Gross Revenue**" means all cash, checks, proceeds, and other payments of any kind collected by or paid to the Enterprise arising out of the operation of the Enterprise in the ordinary course of business, but excluding state, county, or local taxes collected from customers on the sale of products ("Sales Taxes").

"**Governmental Authority**" means any federal, state, local, or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations, or orders of such organization or authority have the force of law), or any arbitrator, court, or tribunal of competent jurisdiction.

"**Initial Member**" means each Person identified on the Members Schedule as of the Effective Date as a Member and who has executed this Agreement or a counterpart thereof.

"**Joinder Agreement**" means an Agreement pursuant to which a Person becomes a party to this Agreement as a Member, in such form as may be required by the Manager.

"Local Jurisdiction" means the City of Santee.

"**Lien**" means any mortgage, pledge, security interest, option, right of first offer, encumbrance, or other restriction or limitation of any nature whatsoever.

"**Liquidator**" has the meaning set forth in Section 10.02(b).

"**Losses**" has the meaning set forth in Section 8.02(a).

"**Majority of the Non-Manager Members**" means Members owning a majority of the Membership Interests, excluding any Membership Interest held by the Manager or any Affiliate of the Manager from such calculation.

"**Manager**" means, initially, Elliot Lewis, or such other Person as may be designated or become the Manager pursuant to the terms of this Agreement. The Manager shall constitute a "manager" (as that term is defined in RULLCA) of the Company.

"**Marital Relationship**" means a civil union, domestic partnership, marriage, or any other similar relationship that is legally recognized in any jurisdiction.

"**Members**" means each Initial Member and each Person who is admitted as a Member of the Company after the Effective Date in accordance with the terms of this Agreement and RULLCA, but does not include any Person who ceases to be a Member. The Members shall constitute "members" (as that term is defined in RULLCA) of the Company.

"Members' Option" has the meaning set forth in Section 7.02(b)(ii)(B).

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"**Members Schedule**" means Schedule I attached hereto.

"**Membership Interest**" means an interest in the Company owned by a Member, including such Member's rights to (a) receive that Member's distributive share of Company assets and items of Company income, gain, loss, and deduction, (b) vote on, consent to, or participate in any Member decisions as provided in this Agreement and RULLCA, and (c) receive any and all other benefits due to a Member under this Agreement and RULLCA. The Membership Interest of each Member will be stated as a percentage interest and shall be as set out in the Members Schedule. The Membership Interests of all Members shall equal one hundred percent (100%).

"**Offered Units**" has the meaning set forth in Section 7.02(b)(i).

"**Officers**" has the meaning set forth in Section 4.05.

"**Option Purchase Price**" has the meaning set forth in Section 7.04(a).

"**Permitted Transfer**" has the meaning set forth in Section 7.02(a).

"**Permitted Transferee**" has the meaning set forth in Section 7.02(a).

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association, or other entity.

"**Purchasers**" has the meaning set forth in Section 7.02(b)(ii)(C).

"**Remaining Units**" has the meaning set forth in Section 7.02(b)(ii)(B).

"**Rollup Agreement**" has the meaning set forth in Section 7.04(b).

"**Rollup Notice**" has the meaning set forth in Section 7.04(b).

"**Rollup Option**" has the meaning set forth in Section 7.04(a).

"**Rollup Window End-Date**" has the meaning set forth in Section 7.04(a).

"**Rollup Window Start Date**" has the meaning set forth in Section 7.04(a).

"**RULLCA**" means the California Revised Uniform Limited Liability Company Act and any successor statute, as it may be amended from time to time.

"**Selling Owner**" has the meaning set forth in Section 7.02(b)(i).

"**Securities Act**" means the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations thereunder, which shall be in effect at the time.

"**Spousal Consent**" has the meaning set forth in **Error! Reference source not found.**.

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"**Spouse**" means a spouse, a party to a civil union, a domestic partner, a same-sex spouse or partner, or any person in a Marital Relationship with a Member.

"**Transfer**" means to sell, transfer, assign, gift, pledge, encumber, hypothecate, or similarly dispose of, directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, or to enter into any contract, option, or other arrangement or understanding with respect to the sale, transfer, assignment, gift, pledge, encumbrance, hypothecation, or similar disposition of, any Membership Interests or any interest (including a beneficial interest or "transferable interest" as defined under RULLCA) therein. "**Transfer**" when used as a noun, and "**Transferred**" when used to refer to the past tense, shall have correlative meanings.

"**Transfer Notice**" has the meaning set forth in Section 7.02(b)(i).

"**Transferor**" and "**Transferee**" mean a Person who makes or receives a Transfer, respectively.

"**Treasury Regulations**" means the final or temporary regulations issued by the United States Department of Treasury pursuant to its authority under the Tax Code, and any successor regulations.

"**Unreturned Capital**" of a Member as of a particular date means the amount, if any, by which (i) the aggregate Capital Contributions made by such Member to the Company is greater than (ii) the aggregate distributions made to such Member pursuant to Section 6.01.

ARTICLE XIII
MISCELLANEOUS

Section 13.01 Governing Law. All issues and questions arising out of or concerning the application, construction, validity, interpretation, and enforcement of this Agreement shall be governed by and construed in accordance with the internal laws of the State of California, without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of laws of any jurisdiction other than the State of California.

Section 13.02 Dispute Resolution.

(a) Negotiation. The parties shall attempt in good faith through informal negotiations between executives who have authority to settle the controversy to resolve all Disputes ("**Dispute**" means any dispute, claim, or controversy arising out of or relating in any way to this Agreement, including, without limitation, the arbitrability, enforceability, enforcement, breach, interpretation, or validity hereof) within thirty (30) days of written notice of a Dispute. Any party may give the other party written notice of any Dispute not resolved in the ordinary course to which this negotiation provision shall apply (the "**Original Notice Date**"). The parties each shall submit its position, supported by any documents relating to the Dispute, to the other and shall make a good faith effort for the authorized executives to meet in person (or the equivalent) to attempt in good faith to resolve the Dispute (the "**First Meeting**"). At no time prior to the First Meeting

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shall either side initiate litigation related to the Dispute, except to pursue a provisional remedy that is authorized by Section 13.04(e) of this Agreement, by law, by applicable JAMS Rules, or by agreement of the parties. All applicable statutes of limitation and defenses based on the passage of time shall be tolled while the procedures specified in this Section 13.04 are pending and for thirty (30) calendar days thereafter.

(b) Mediation. In the event the parties are unable to reach an agreement through the negotiation procedure set forth at Section 13.04(a) the parties shall submit the dispute to mediation before a mediator mutually agreed upon. Either party may commence mediation by providing to JAMS and the other party a written request for mediation, setting forth the subject of the dispute and the relief requested. Said mediation shall take place at JAMS in Los Angeles, CA and shall be completed within forty-five (45) days of the Original Notice Date of the Dispute. To the extent the parties cannot agree on a single mediator, each party shall select three different mediators in order of preference and have a further discussion on selecting the mediator. If a mediator is named on both parties' lists, that will be the mediator chosen. If the parties still cannot agree on a mediator, JAMS shall unilaterally choose the mediator.

(c) Arbitration. In the event the parties are unable to resolve any Dispute through mediation as set forth in Section 13.04(b) the Dispute shall be referred to and finally determined by final and binding arbitration pursuant to the applicable expedited rules of JAMS then in effect ("**Arbitration**"), and the parties to the Arbitration shall have right of full discovery in accordance with all relevant provisions of the California Code of Civil Procedure. The Arbitration shall be confidential and shall be conducted by one (1) neutral arbitrator in Los Angeles, California. Any action filed to compel or enter or enforce the judgment of Arbitration shall be filed solely and exclusively in state courts in Los Angeles, California. The parties to Arbitration shall split, in equal portions, all Arbitration fees, including without limitation the fees and costs of any arbitrator or arbitration forum, as applicable, through the final adjudication of any Dispute. The parties will have all remedies available to them at law or in equity. All available remedies are cumulative and may be exercised singularly or collectively.

(d) Attorneys' Fees and Costs. In the event that any Dispute should result in litigation or arbitration, the substantially prevailing party in such dispute shall be entitled to recover from the other party all reasonable fees, costs and expenses of enforcing any right of the prevailing party, including without limitation, reasonable attorneys' fees and expenses, including expert fees, attorneys' fees and costs incurred in compelling arbitration, and all Arbitration fees and costs actually paid by such party, provided, that the party meaningfully participated in mediation as set forth at Section 13.04(b).

(e) Equitable Relief. Each party acknowledges that a breach by the other party of this Agreement may cause the non-breaching party irreparable harm, for which an award of damages would not be adequate compensation and agrees that, in the event of such a breach or threatened breach, the non-breaching party will be entitled to seek equitable relief, including in the form of a restraining order, orders for preliminary or permanent injunction, specific performance, and any other relief that may be available from any state court having jurisdiction in Los Angeles, California. These remedies shall

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not be deemed to be exclusive but shall be in addition to all other remedies available under this Agreement at law or in equity, subject to any express exclusions or limitations in this Agreement to the contrary.

Section 13.03 Further Assurances. The Parties agree to execute, acknowledge, deliver, file, record and publish such further instruments and documents, and do all such other acts and things as may be required by law, or as may be required to carry out the intent and purposes of this Agreement.

Section 13.04 Waiver. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

Section 13.05 Notices. All notices, requests, consents, claims, demands, waivers, and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt), (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested), (c) on the date sent by facsimile or email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 13.04):

If to the Company:	Catalyst - Santee LLC 401 Pine Avenue Long Beach, CA 90802 Email: anthony.almaz@gmail.com; elliot.lewis.ceo@southcordholdings.com Attention: Elliot Lewis / Anthony Almaz
If to Manager:	Elliot Lewis 401 Pine Avenue Long Beach, CA 90802 Email: anthony.almaz@gmail.com; elliot.lewis.ceo@southcordholdings.com Attention: Elliot Lewis / Anthony Almaz

If to a Member, to such Member's respective mailing address, facsimile number or email address, as applicable, as set forth on the Members Schedule.

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Section 13.06 Remedies. In the event of any actual or prospective breach or default by any party, the other parties shall be entitled to equitable relief, including remedies in the nature of injunction and specific performance, awarded by a court of competent jurisdiction (without being required to post a bond or other security or to establish any actual damages). In this regard, the parties acknowledge and agree that they will be irreparably damaged in the event this Agreement is not specifically enforced, since (among other things) the Membership Interests are not readily marketable. All remedies hereunder are cumulative and not exclusive, may be exercised concurrently, and nothing herein shall be deemed to prohibit or limit any party from pursuing any other remedy or relief available at law or in equity for any actual or prospective breach or default, including recovery of damages. In addition, the parties hereby waive and renounce any defense to such equitable relief that an adequate remedy at law may exist.

Section 13.07 Severability. If any term or provision of this Agreement is held to be invalid, illegal, or unenforceable under Applicable Law in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

Section 13.08 Successors and Assigns. Subject to the restrictions on Transfers set forth herein, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, and permitted assigns.

Section 13.09 Amendment. Except as otherwise provided by this Agreement, no provision of this Agreement may be amended or modified except by an instrument in writing executed by the Company and the number of Members required by Section 4.02 hereof. Any such written amendment or modification will be binding upon the Company and each Member. Notwithstanding the foregoing, amendments to the Members Schedule may be made by the Manager, without the consent of the other Members, following any new issuance, redemption, repurchase, or Transfer of Membership Interests in accordance with this Agreement.

Section 13.10 Headings; Interpretation. The headings in this Agreement are inserted for convenience or reference only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision of this Agreement. All pronouns and any variations thereof shall be deemed to refer to masculine, feminine, or neuter, singular or plural, as the identity of the Person or Persons may require.

Section 13.11 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email, or other means of Electronic Transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Section 13.12 Entire Agreement. This Agreement, together with the Articles of Organization and all related exhibits and schedules, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings, agreements, records, representations, and warranties, both written and oral, whether express or implied, with respect to such subject matter.

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Section 13.13 No Third-Party Beneficiaries. Except as provided in ARTICLE VIII, which shall be for the benefit of and enforceable by Covered Persons as described therein, this Agreement is for the sole benefit of the parties hereto (and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns) and nothing herein, express or implied, is intended to or shall confer upon any other Person, including any creditor of the Company, any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

Section 13.14 Spousal Consent. Each Member who has a Spouse on the date of this Agreement shall cause such Member's Spouse to execute and deliver to the Company a Spousal Consent, and any Member who enters into a Marital Relationship after the Effective Date shall, at the time of entering into such relationship, cause such Member's Spouse to execute and deliver to the Company a Spousal Consent, in each case pursuant to which the Spouse acknowledges that he or she has read and understood the Agreement and agrees to be bound by its terms and conditions.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

The Company:

Catalyst - Santee LLC, a California limited liability company

By: DocuSigned by: Elliot Lewis
55F129FC5F22456...
Name: Elliot Lewis
Title: Manager

Elliot Lewis, as Member

By: DocuSigned by: Elliot Lewis
55F129FC5F22456...
Name: Elliot Lewis

Damian Martin, as Member

By: DocuSigned by: Damian Martin
9ABE974CE1E1494...
Name: Damian Martin

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SCHEDULE I

MEMBERS SCHEDULE

Members

Units Authorized: 25,000 Units Authorized and Outstanding: 10,000

Member Name and Address	Units	Capital Contributions	Membership Interest in LLC
Elliot Lewis 401 Pine Ave. Long Beach, CA 90802	6,700	$67.00	67.00%
Damian Martin 401 Pine Ave. Long Beach, CA 90802	3,300	$33.00	33.00%
Total:	10,000	$100.00	100.00%

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EXHIBIT A

FORM OF SPOUSAL CONSENT

I, _____, spouse of _____ _____, do hereby certify, acknowledge and agree as follows:

1. I have read, understand and approve each and every provision set forth in the foregoing Limited Liability Company Operating Agreement of Catalyst - Santee LLC (the "Agreement"). Any capitalized term used, but not defined in, this Consent of Spouse has the meaning ascribed to such term in the Agreement.

2. I accept and agree to be bound by the Agreement in all respects and in lieu of any other interest I may have in or with respect to Catalyst - Santee LLC, a California limited liability company (the "Company"), whether that interest may be community property or quasi community property under the laws of the State of California or any other laws relating to marital property in effect in the state of our residence as of the date of the signing of the Agreement.

3. I hereby appoint my spouse as my attorney in fact with respect to the exercise of any and all rights under the Agreement.

4. Among other things, I acknowledge that, in the event of any dissolution of marriage between me and my spouse, I am and will be subject to (a) the option granted to the Company and the Members in Section 7.03 and 7.04 of the Agreement, and (b) selling to the Company and/or the Purchasing Members, under such Section 7.03 and Section 7.04, any Affected Units or interest therein that I am awarded or that is transferred to me as a result of or in connection with such dissolution of marriage.

5. I hereby consent to any amendments or modifications to the Agreement that are consented to, executed by or otherwise binding upon my spouse.

Dated: _____, 20__

_____
Signature

_____
Printed Name

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32807

1600 PACIFIC HIGHWAY, SUITE 260, SAN DIEGO, CA 92101
P.O. BOX 121750, SAN DIEGO, CA 92112
(619) 237-0502

Office Use Only
☐ Government-Issued ID Verified

Jordan Z. Marks
Recorder/County Clerk
County of San Diego
www.sdarcc.gov

FICTITIOUS BUSINESS NAME STATEMENT

All information on this statement is public information and is required to appear in the newspaper pursuant to Business and Professions Code section 17913.

(1) FICTITIOUS BUSINESS NAME(S): (If more than two names, use FBN Additional Business Name form)

a. CATALYST - SANTEE
Print Fictitious Business Name

b. CATALYST CANNABIS - SANTEE
Print Fictitious Business Name

(2) LOCATED AT: 8625 CUYAMACA STREET / Santee / CA / 92071 / San Diego
Street Address (No P.O. Box, Postal Facility, or PMB) / City / State / Zip Code / County (No Abbreviations)

401 PINE AVE / LONG BEACH / CA / 90802
Business Mailing Address / City / State / Zip Code

(3) REGISTRANT NAME AND BUSINESS MAILING ADDRESS (If Corporation/LLC, name, as registered with Secretary of State) If more than two registrants, use FBN Additional Registrants form.

a. CATALYST - SANTEE LLC
If Individual - Spell Out First, Middle, and Last Name or Corp/LLC

401 PINE AVE / Long Beach / CA / 90802
Business Mailing Address / City / State / Zip Code

CA
If Corporation or LLC - Print State of Incorporation/Organization

b.
If Individual - Spell Out First, Middle, and Last Name or Corp/LLC

Business Mailing Address / City / State / Zip Code

If Corporation or LLC - Print State of Incorporation/Organization

(4) THIS BUSINESS IS CONDUCTED BY: (Check one)

- ☐ A. An Individual
- ☐ B. A Married Couple
- ☐ C. A General Partnership
- ☐ D. A Limited Partnership
- ☐ E. Joint Venture
- ☐ F. A Corporation
- ☐ G. A Trust
- ☐ H. Co-Partners
- ☒ I. A Limited Liability Company
- ☐ J. Limited Liability Partnership
- ☐ K. An Unincorporated Association-Other than a Partnership
- ☐ L. State or Local Registered Domestic Partners

(5) REGISTRANT FIRST BEGAN TO TRANSACT BUSINESS UNDER THE NAME(S) ABOVE AS OF*: N/A (Cannot be a future date)
***INSERT N/A IF YOU HAVE NOT YET BEGUN TO TRANSACT BUSINESS** ENTER COMPLETE DATE **(MM/DD/YYYY) OR N/A**

I declare that all information in this statement is true and correct. (A registrant who declares as true any material matter pursuant to Section 17913 of the Business and Professions Code that the registrant knows to be false is guilty of a misdemeanor punishable by a fine not to exceed one thousand dollars ($1,000).)

(6) Registrant Signature: _____ (Original/Wet Signature Required) Printed Name: ELLIOT LEWIS (Print Name of Signer)

If a Corporation, Limited Liability Company (LLC), Limited Partnership (LP) or Limited Liability Partnership (LLP), the following must also be completed:

Corporation/LLC Name: CATALYST - SANTEE LLC Officer Title of Signer: MANAGER
(For list of acceptable titles, see instructions #6)

This statement was filed with the San Diego Recorder/County Clerk as indicated by the file stamp above.

NOTICE: IN ACCORDANCE WITH SUBDIVISION (a) OF SECTION 17920, A FICTITIOUS NAME STATEMENT GENERALLY EXPIRES AT THE END OF FIVE YEARS (5) FROM THE DATE ON WHICH IT WAS FILED IN THE OFFICE OF THE COUNTY CLERK, EXCEPT, AS PROVIDED IN SUBDIVISION (b) OF SECTION 17920, WHERE IT EXPIRES 40 DAYS AFTER ANY CHANGE IN THE FACTS SET FORTH IN THE STATEMENT PURSUANT TO SECTION 17913 OTHER THAN A CHANGE IN THE RESIDENCE ADDRESS OF A REGISTERED OWNER. A NEW FICTITIOUS BUSINESS NAME STATEMENT MUST BE FILED BEFORE THE EXPIRATION.
THE FILING OF THIS STATEMENT DOES NOT OF ITSELF AUTHORIZE THE USE IN THIS STATE OF A FICTITIOUS BUSINESS NAME IN VIOLATION OF THE RIGHTS OF ANOTHER UNDER FEDERAL, STATE, OR COMMON LAW (SEE SECTION 14411 ET SEQ., BUSINESS AND PROFESSIONS CODE)

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INSTRUCTIONS FOR FICTITIOUS BUSINESS NAME (FBN) STATEMENT

The form must be legible – no erasures or whiteouts. Strikeovers acceptable if accompanied with initials.

Fictitious Business Name Statement Fee Schedule

Filing:	**$54.00**	Includes one business name and one business owner on statements
Additional Owner(s):	**$5.00**	This fee applies to each additional owner name on the statement except when filing as a married couple
Additional Business Name(s):	**$5.00**	Fee applies to additional business names on statement at the same physical location
Additional Copies:	**$2.00 (1st page)** **$0.05 (additional pages)**	First page and additional page fees apply only to the same document.
Certification:	**$1.00**	Additional fee for a certification of copy

1. **IN PERSON:** Registrants will be required to present a completed FBN statement, and show a valid government issued identification.
2. **BY MAIL:** Registrant will be required to submit a completed FBN statement.
3. **OTHER:** Persons presenting FBN statement on behalf of the registrant in person must show a valid government issued identification.

Business and Professions Code section 17913

(1) Where (1) appears on the frontside of the form, insert the fictitious business name or names. Only those businesses operating at the same address and under the same ownership may be listed on one statement.

(2) Where (2) appears on the frontside of the form, if the registrant has a place of business in this state, insert the street address and county, of the registrant's principal place of business in this state. If the registrant has no place of business in this state, insert the street address and county of the registrant's principal place of business outside this state. Mailbox and post office box numbers are not acceptable as the registrant's principal place of business. They are acceptable as the mailing address.

(3) Where (3) appears on the frontside of the form, if the registrant is an individual, insert the registrant's full name and business mailing address. If the registrants are a married couple, insert the full name and business mailing address of both parties to the marriage. If the registrant is a general partnership, co-partnership, joint venture, or limited liability partnership, insert the full name and business mailing address of each general partner. If the registrant is a limited partnership, insert the full name and business mailing address of each general partner. If the registrant is a limited liability company, insert the name and business mailing address of the limited liability company, as set out in its articles of organization on file with the California Secretary of State, and the state of organization. If the registrant is a trust, insert the full name and business mailing address of each trustee. If the registrant is a corporation, insert the name and business mailing address of the corporation, as set out in its articles of incorporation on file with the California Secretary of State, and the state of incorporation. If the registrants are state or local registered domestic partners, insert the full name and business mailing address of each domestic partner. If the registrant is an unincorporated association other than a partnership, insert the name and business mailing address of each person who is interested in the business of the association and whose liability with respect to the association is substantially the same as that of a general partner.

(4) Where (4) appears on the frontside of the form, insert whichever of the following best describes the nature of the business: (a) "an individual," (b) "a married couple," (c) "a general partnership," (d) "a limited partnership," (e) "joint venture," (f) "a corporation," (g) "a trust," (h) "copartners," (i) "a limited liability company," (j) "a limited liability partnership," (k) "an unincorporated association other than a partnership," (l) "state or local registered domestic partners."

(5) Where (5) appears on the frontside of the form, insert the date on which the registrant first commenced to transact business under the fictitious business name or names listed, if already transacting business under that name or names. If the registrant has not yet commenced to transact business under the fictitious business name or names listed, insert the statement, "Not applicable or N/A."

(6) If the registrant is a corporation, acceptable officer titles include President, Vice President, Secretary, Treasurer, CEO, CFO, COO. If the registrant is an LLC, acceptable officer titles include President, Vice President, Secretary, Treasurer, CEO, CFO, COO, Member, Managing Member, and Manager.

Business and Professions Code section 17914

The fictitious business name statement shall be signed as follows: (a) If the registrant is an individual, by the individual. (b) If the registrants are a married couple, by either party to the marriage. (c) If the registrant is a general partnership, limited partnership, limited liability partnership, copartnership, joint venture, or unincorporated association other than a partnership, by a general partner. (d) If the registrant is a limited liability company, by a manager or officer. (e) If the registrant is a trust, by a trustee. (f) If the registrant is a corporation, by an officer. (g) If the registrant is a state or local registered domestic partnership, by one of the domestic partners.

Business and Professions Code section 17915

The fictitious business name statement shall be filed with the clerk of the county in which the registrant has his or her principal place of business in this state or, if the registrant has no place of business in this state, with the Clerk of Sacramento County. Nothing in this chapter shall preclude a person from filing a fictitious business name statement in a county other than that where the principal place of business is located if the requirements of this subdivision are also met.

Business and Professions Code section 17917

(a) Within 45 days after a fictitious business name statement has been filed pursuant to this chapter, the registrant shall cause a statement in the form prescribed by subdivision (a) of Section 17913 to be published pursuant to Section 6064 of the Government Code in a newspaper of general circulation in the county where the fictitious business name statement was filed or, if there is no such newspaper in that county, in a newspaper of general circulation in an adjoining county. If the registrant does not have a place of business in this state, the notice shall be published in a newspaper of general circulation in Sacramento County. (b) Subject to the requirements of subdivision (a), the newspaper selected for the publication of the statement should be one that circulates in the area where the business is to be conducted. (c) If a refiling is required because the prior statement has expired, the refiling need not be published unless there has been a change in the information required in the expired statement, provided the refiling is filed within 40 days of the date the statement expired.(d) An affidavit showing the publication of the statement shall be filed with the county clerk where the fictitious business name statement was filed within 45 days after the completion of the publication.

Business and Professions Code section 17922

(a) Upon ceasing to transact business in this state under a fictitious business name that was filed in the previous five years, a registrant who has filed a fictitious business name statement shall file a statement of abandonment of use of fictitious business name.

Business and Professions Code section 17923

(a) Any registrant who is a general partner in a partnership that is or has been regularly transacting business under a fictitious business name may, upon withdrawing as a general partner, file a statement of withdrawal from the partnership operating under a fictitious business name.

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Jordan Z. Marks
Recorder/County Clerk
County of San Diego
www.sdarcc.gov

(1) ADDITIONAL FICTITIOUS BUSINESS NAMES (CONTINUED FROM PAGE 1):

c. CATALYST SANTEE

d. CATALYST CANNABIS SANTEE

e. CATALYST CANNABIS CO. - SANTEE

f.

g.

h.

i.

j.

k.

l.

m.

n.

o.

p.

q.

r.

s.

t.

u.

v.

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

LLC-1

201833210134

FILED
Secretary of State
State of California
NOV 27 2018

BMG
TD

ICC

This Space For Office Use Only

IMPORTANT — Read Instructions before completing this form.

Filing Fee – **$70.00**

Copy Fees – First page $1.00; each attachment page $0.50; Certification Fee - $5.00

Note: LLCs may have to pay minimum $800 tax to the California Franchise Tax Board each year. For more information, go to *https://www.ftb.ca.gov.*

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.)

South Cord Holdings LLC

2. Business Addresses

a. Initial Street Address of Designated Office in California - Do not enter a P.O. Box	City (no abbreviations)	State	Zip Code
1900 Main Street, 5th Floor	Irvine	CA	92614
b. Initial Mailing Address of LLC, **If different than item 2a**	City (no abbreviations)	State	Zip Code

3. Service of Process (Must provide either Individual **OR** Corporation.)

INDIVIDUAL – Complete Items 3a and 3b only. Must include agent's full name and California street address.

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 enter a P.O. Box**	City (no abbreviations)	State	Zip Code
		CA	

CORPORATION – Complete Item 3c. Only include the name of the registered agent Corporation.

c. California Registered Corporate Agent's Name (if agent is a corporation) – Do not complete Item 3a or 3b

Registered Agent Solutions, Inc.

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

Elliot Lewis
Print your name here

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BA20221022671

B1196-7362 10/24/2022 11:08 AM Received by California Secretary of State

STATE OF CALIFORNIA
Office of the Secretary of State
STATEMENT OF INFORMATION
LIMITED LIABILITY COMPANY

California Secretary of State
1500 11th Street
Sacramento, California 95814
(916) 653-3516

For Office Use Only

-FILED-

File No.: BA20221022671
Date Filed: 10/24/2022

Entity Details

Limited Liability Company Name	SOUTH CORD HOLDINGS LLC
Entity No.	201833210134
Formed In	CALIFORNIA

Street Address of Principal Office of LLC

Principal Address	6700 PACIFIC COAST HIGHWAY SUITE 201 LONG BEACH, CA 90803

Mailing Address of LLC

Mailing Address	6700 PACIFIC COAST HIGHWAY SUITE 201 LONG BEACH, CA 90803
Attention	Elliot Lewis

Street Address of California Office of LLC

Street Address of California Office	6700 PACIFIC COAST HIGHWAY SUITE 201 LONG BEACH, CA 90803

Manager(s) or Member(s)

Manager or Member Name	Manager or Member Address
~~Elliot Lewis~~	~~6700 Pacific Coast Highway Suite 220~~ ~~Long Beach, CA 90803~~
Elliot Lewis	6700 PACIFIC COAST HIGHWAY SUITE 201 LONG BEACH, CA 90803

Agent for Service of Process

California Registered Corporate Agent (1505)	REGISTERED AGENT SOLUTIONS, INC. Registered Corporate 1505 Agent

Type of Business

Type of Business	MANAGEMENT SERVICES

Email Notifications

Opt-in Email Notifications	Yes, I opt-in to receive entity notifications via email.

Chief Executive Officer (CEO)

CEO Name	CEO Address
None Entered	

Labor Judgment

No Manager or Member of this Limited Liability Company has an outstanding final judgment issued by the Division of Labor Standards Enforcement or a court of law, for which no appeal therefrom is pending, for the violation of any wage order or provision of the Labor Code.

B1196-7363 10/24/2022 11:08 AM Received by California Secretary of State

Electronic Signature

☒ By signing, I affirm under penalty of perjury that the information herein is true and correct and that I am authorized by California law to sign.

Blake Hogen	*10/24/2022*
Signature	Date

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BA20230391488

B1565-8873 03/07/2023 2:40 PM Received by California Secretary of State

STATE OF CALIFORNIA
Office of the Secretary of State
STATEMENT OF INFORMATION
LIMITED LIABILITY COMPANY

California Secretary of State
1500 11th Street
Sacramento, California 95814
(916) 653-3516

For Office Use Only

-FILED-

File No.: BA20230391488
Date Filed: 3/7/2023

Entity Details

Limited Liability Company Name	SOUTH CORD HOLDINGS LLC
Entity No.	201833210134
Formed In	CALIFORNIA

Street Address of Principal Office of LLC

Principal Address	401 PINE AVE. LONG BEACH, CA 90802

Mailing Address of LLC

Mailing Address	401 PINE AVE. LONG BEACH, CA 90802
Attention	Elliot Lewis

Street Address of California Office of LLC

Street Address of California Office	401 PINE AVE. LONG BEACH, CA 90802

Manager(s) or Member(s)

Manager or Member Name	Manager or Member Address
☒ ELLIOT LEWIS	401 PINE AVE. LONG BEACH, CA 90802

Agent for Service of Process

California Registered Corporate Agent (1505)	REGISTERED AGENT SOLUTIONS, INC. Registered Corporate 1505 Agent

Type of Business

Type of Business	MANAGEMENT SERVICES

Email Notifications

Opt-in Email Notifications	Yes, I opt-in to receive entity notifications via email.

Chief Executive Officer (CEO)

CEO Name	CEO Address
None Entered	

Labor Judgment

No Manager or Member, as further defined by California Corporations Code section 17702.09(a)(8), has an outstanding final judgment issued by the Division of Labor Standards Enforcement or a court of law, for which no appeal is pending, for the violation of any wage order or provision of the Labor Code.

Electronic Signature

☒ By signing, I affirm under penalty of perjury that the information herein is true and correct and that I am authorized by California law to sign.

ANTHONY ALMAZ	*03/07/2023*
Signature	Date

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LIMITED LIABILITY COMPANY OPERATING AGREEMENT

SOUTH CORD HOLDINGS LLC
(a California limited liability company)

This Limited Liability Company Operating Agreement (this "Agreement") of South Cord Holdings LLC, a limited liability company formed under the laws of the State of California (the "Company"), is made effective as of November 27, 2018 (the "Effective Date"), by the signatories listed on the signature page hereof (individually referred to as a "Member" and collectively referred to as the "Members"), with reference to the following facts:

A. On November 27, 2018, the Company filed Limited Liability Company Articles of Organization (the "Articles of Organization").

B. The Members desire to adopt and approve a limited liability company operating agreement for the Company under the California Revised Uniform Limited Liability Company Act (as amended from time to time, the "Act").

NOW, THEREFORE, the Members by this Agreement set forth the limited liability company operating agreement for the Company from this date forward upon the terms and subject to the conditions of this Agreement.

ARTICLE 1
ORGANIZATION OF THE COMPANY

1.1 Formation and Governance. The Company became a limited liability company under the Act when the Articles of Organization were filed. The rights, duties and liabilities of the Company, the Members and the Manager are determined pursuant to the Articles of Organization and this Agreement and, to the extent they do not otherwise provide, by the Act.

1.2 Name. The name of the limited liability company is South Cord Holdings LLC.

1.3 Purposes. The purpose of the Company is to engage in any lawful activities for which limited liability companies may be organized under the laws of the State of California.

1.4 Office. Until changed by the Manager, the principal place of business of the Company shall be 1900 Main Street, 5th Floor, Irvine, California 92614.

1.5 Duration. The Company commenced on the date the Articles of Organization were filed with the California Secretary of State and shall continue until dissolved pursuant to the terms of this Agreement or the Act.

1.6 Fiscal Year. The fiscal year of the Company shall be the calendar year.

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1.7 Registered Agent. The name and address of the Company's registered agent in the State of California is and shall be, until changed by the Manager in his discretion, as set forth in the Company's Statement of Information filed with the State of California.

1.8 Bank Accounts. All Company funds shall be deposited in the Company's name in one or more accounts at such bank(s) as the Manager may select from time to time.

1.9 Tax Matters.

(a) Elliott Lewis is hereby designated as the "partnership representative" of the Company within the meaning of Section 6223(a) of the Code. If any state or local tax law provides for a tax matters partner/partnership representative or person having similar rights, powers, authority or obligations, the person designated as the "tax matters partner" pursuant to Section 6231(a)(7) of the Code shall also serve in such capacity (in any such federal, state or local capacity, the "Tax Representative"). The Manager may name a replacement Tax Representative at any time. In such capacity, the Tax Representative shall have all of the rights, authority and power, and shall be subject to all of the obligations, of a tax matters partner/partnership representative to the extent provided in the Code and the Treasury Regulations, and the Members hereby agree to be bound by any actions taken by the Tax Representative in such capacity. The Tax Representative shall represent the Company in all tax matters to the extent allowed by law. Without limiting the foregoing, the Tax Representative is authorized and required to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities, including administrative and judicial proceedings, and to expend Company funds for professional services and costs associated therewith. Any decisions made by the Tax Representative, including, without limitation, whether or not to settle or contest any tax matter, and the choice of forum for any such contest, and whether or not to extend the period of limitations for the assessment or collection of any tax, shall be made in the Tax Representative's sole discretion. Without limiting the generality of the foregoing, the Tax Representative (i) shall have the sole and absolute authority to make any elections on behalf of the Company permitted to be made pursuant to the Code or the Treasury Regulations promulgated thereunder and (ii) without limiting the foregoing, may, in its sole discretion, make an election on behalf of the Company under Sections 6221(b) or 6226 of the Code as in effect for the first fiscal year beginning on or after January 1, 2018 and thereafter, and (iii) may take all actions the Tax Representative deems necessary or appropriate in connection with the foregoing. The Tax Representative will have the authority and responsibility to arrange for the preparation, and timely filing, of the Company's tax returns. The Tax Representative shall be reimbursed and indemnified by the Company for all actual claims, liabilities, losses, costs, damages and expenses, and for reasonable legal and accounting fees, incurred in connection with the performance of its duties as Tax Representative in accordance with the terms hereof.

(b) Each Member agrees to provide promptly and to update as necessary at any times requested by the Tax Representative, all information, documents, self-certifications, tax identification numbers, tax forms, and verifications thereof, that the Tax Representative deems necessary in connection with (i) any information required for the Company to determine the application of Sections 6221-6235 of the Code to the Company; (ii) an election by the Company under Section 6221(b) or 6226 of the Code, and (iii) an audit or a final adjustment of

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the Company by a taxing authority. Each Member covenants and agrees to take any action reasonably requested by the Company in connection with an election by the Company under Section 6221(b) or 6226 of the Code, or an audit or a final adjustment of the Company by a taxing authority (including, without limitation, promptly filing amended tax returns and promptly paying any related taxes, including penalties and interest).

(c) The Members acknowledge that the Company may elect the application of Section 6226 of the Code for its first taxable year on or after January 1, 2018 and for each fiscal year thereafter. This acknowledgement applies to each Member whether or not the Member owns an interest in the Company in both the reviewed year and the year of the tax adjustment. In the event that the Company elects the application of Section 6226 of the Code, the Members agree and covenant to take into account and report to the United States Internal Revenue Service (or any other applicable taxing authority) any adjustment to their tax items for the reviewed year of which they are notified by the Company in a written statement, in the manner provided in Section 6226(b), whether or not the Member owns any interest in the Company at such time. Any Member that fails to report its share of such adjustments on its tax return, agrees to indemnify and hold harmless the Company, the Manager, the Tax Representative, and each of their affiliates and agents from and against any and all liabilities related to taxes (including penalties and interest) imposed on the Company as a result of the Member's inaction. In addition, each Member agrees and covenants to indemnify and hold the Company, the Manager, the Tax Representative, and each of their affiliates and agents harmless from and against any and all liabilities related to taxes (including penalties and interest) imposed on the Company (i) pursuant to Section 6221 of the Code, which liabilities relate to adjustments that would have been made to the tax items allocated to such Member had such adjustments been made for a tax year beginning prior to January 1, 2018 (and assuming that the Company had not made an election to have Section 6221 of the Code apply for such earlier tax years) or (ii) resulting from or attributable to such Member's failure to comply with Section 1.9(b) or this Section 1.9(c). Each Member acknowledges and agrees that no Member shall have any claim against the Company, the Manager, the Tax Representative, or any of their affiliates and agents for any tax, penalties or interest resulting from the Company's election under Section 6226 of the Code.

(d) The Tax Representative shall cause to be prepared and filed the Company's tax returns and shall cause to be prepared and delivered to each Member a Form K-1 indicating such Member's share of the Company's taxable income (or loss) within ninety (90) days after the end of each taxable year or as soon as reasonably practicable thereafter.

(e) Notwithstanding anything to the contrary herein, the Company, in the sole discretion of the Tax Representative, may elect to be treated as an association taxable as a corporation for U.S. federal and applicable state and local income tax purposes (the "Election"). The Tax Representative is hereby authorized to make the Election. Each Member shall cooperate fully with the Company and the Tax Representative for purposes of making the Election. To the extent that the Tax Representative causes the Company to make the Election, the provisions in this Agreement that apply to an entity treated as a partnership for U.S. income tax purposes (including Sections 3.1, 3.2, 3.3(b) and 3.4-3.7) shall be deemed null and void and without effect as of the effective date of the Election.

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(f) The provisions contained in this Section 1.9 shall survive the termination of the Company, the termination of this Agreement and, with respect to any Member, the transfer or assignment of any portion of such Member's interest in the Company.

1.10 Withholding. Each Member agrees to timely furnish the Company with any representations and forms as are reasonably requested by the Company to assist it in determining the extent of, and in fulfilling, any withholding obligations the Company may have and represents and warrants that the information, forms and certifications furnished by it shall be true, correct and complete in all material respects. The Company shall withhold any taxes, fees or other charges the Company is required to withhold or pay under applicable law with respect to any Member (including any interest, penalties and additions to tax imposed thereon and any liability with respect to any Imputed Underpayment Amounts required to be paid on behalf of, or with respect to, such Member or any former Member whose former interest in the Company is held by such Member) ("Withheld Amounts"). Any Withheld Amounts shall be treated as if the same had been distributed to that Member pursuant to Section 3.3(a) or Section 9.2, as applicable. Any other amount required to be paid by the Company to a taxing authority with respect to a Member pursuant to any federal, state, local or foreign tax law in connection with any payment to or tax liability (estimated or otherwise) of the Member shall be treated as a loan from the Company to that Member. If such loan is not repaid within thirty (30) calendar days from the date the Company notifies that Member of the withholding, the loan shall bear interest at an annual rate equal to the lesser of (a) ten percent (10%) per annum or (b) the highest nonusurious rate permitted by applicable law under such circumstances from the date of the applicable notice to the date of repayment. In addition to all other remedies the Company may have, the Company may withhold distributions that would otherwise be payable to that Member and apply those distributions instead to the repayment of the loan and accrued interest. The provisions contained in this Section 1.10 shall survive the termination of the Company, the termination of this Agreement and, with respect to any Member, the transfer or assignment of any portion of such Member's interest in the Company.

ARTICLE 2
UNITS, MEMBERS, AND CAPITAL ACCOUNTS

2.1 Units Generally. The interests of the Members in the Company shall be represented by issued and outstanding Units, which may be divided into one or more types, classes or series. Each type, class or series of Units shall have the privileges, preference, duties, liabilities, obligations and rights, including voting rights, if any, set forth in this Agreement with respect to such type, class or series. The Manager shall maintain a schedule of all Members, their respective mailing addresses and the amount and series of Units held by them, their Percentage Interests and their Capital Account balances as of the Effective Date (the "Schedule of Members"), and shall update the Schedule of Members upon the issuance or Permitted Transfer of any Units to any new or existing Member. An initial copy of the Schedule of Members as of the Effective Date is attached hereto as Schedule I.

2.2 Authorization and Issuance of Common Units. The Company is hereby authorized to issue a class of Units designated as Common Units. As of the date hereof, 31,111 Common Units are issued and outstanding in the amounts set forth on the Schedule of Members opposite each Member's name, and 70,000 Common Units are reserved for issuance in the manner and at

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the time(s) determined by the Manager. For avoidance of doubt, the reservation of certain Common Units shall not be deemed in any way to restrict the authorization and issuance of additional Common Units in accordance with Section 2.3.

2.3 Other Issuances. In addition to the Common Units, the Company is hereby authorized, subject to compliance with Section 5.1(a), to authorize and issue or sell to any Person any of the following (collectively, "New Interests"): (i) additional Common Units; (ii) any new type, class or series of Units not otherwise described in this Agreement, which Units may be designated as classes or series of existing Units but having different rights; and (iii) any other security or obligation that is by its terms, directly or indirectly, convertible into, exchangeable or exercisable for Units, and any option, warrant or other right to subscribe for, purchase or acquire Units. The Manager is hereby authorized, subject to Section 11.2, to amend this Agreement to reflect such issuance and to fix the relative privileges, preference, duties, liabilities, obligations and rights of any such New Interests, including the number of such New Interests to be issued, the preference (with respect to distributions, in liquidation or otherwise) over any other Units and any contributions required in connection therewith.

2.4 Certification of Units. The Manager in his sole discretion may, but shall not be required to, issue certificates to the Members representing the Units held by such Member. In the event that the Manager determines to issue certificates representing Units in accordance with this Section 2.4, then in addition to any other legend required by applicable law, all certificates representing issued and outstanding Units shall bear a legend substantially in the following form:

> THE UNITS REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LIMITED LIABILITY COMPANY AGREEMENT AMONG THE COMPANY AND ITS MEMBERS, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL EXECUTIVE OFFICE OF THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE UNITS REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH LIMITED LIABILITY COMPANY AGREEMENT.
>
> THE UNITS REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED EXCEPT (A) PURSUANT TO A REGISTRATION STATEMENT EFFECTIVE UNDER SUCH ACT AND LAWS, OR (B) PURSUANT TO AN EXEMPTION FROM REGISTRATION THEREUNDER.

2.5 Admission of New Members.

(a) New Members may be admitted from time to time (i) in connection with an issuance of Units by the Company, subject to compliance with the provisions of Section 5.1(a) and Article 8, as applicable, and (ii) in connection with a Transfer of Units,

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subject to compliance with the provisions of Article 8, and in either case, following compliance with the provisions of Section 2.5(b).

(b) In order for any Person not already a Member of the Company to be admitted as a Member, whether pursuant to an issuance or Transfer of Units, such Person shall have executed and delivered to the Company a joinder agreement, which shall include a written undertaking executed by such Person agreeing to this Agreement and acknowledging that this Agreement modifies certain default rules set forth in the Act and provided to the Company such information, documentation and forms requested by the Company to determine whether any withholding applies to the Transfer of Units to the Member and evidence satisfactory to the Company that any such applicable withholding was done in compliance with applicable law. Upon the amendment of the Schedule of Members by the Manager and the satisfaction of any other applicable conditions, including, if a condition, the receipt by the Company of payment for the issuance of the applicable Units, such Person shall be admitted as a Member and deemed listed as such on the books and records of the Company and thereupon shall be issued his, her or its Units. The Manager may adjust the Capital Accounts of the Members as necessary in accordance with Section 2.6 and the provisions of this Agreement.

2.6 Separate Capital Account for Each Member. The Company shall establish and maintain a separate capital account ("Capital Account") for each Member in accordance with Section 704(b) of the Internal Revenue Code of 1986, as amended ("Code"), and the final, proposed and temporary income tax regulations promulgated from time to time thereunder ("Treasury Regulations"), including but not limited to Section 1.704-1(b)(2)(iv) of the Treasury Regulations. Each Member's Capital Account shall from time to time be (i) credited with such Member's Capital Contributions, and Net Profits and all other items of income and gain allocated to the Member under Sections 3.1 and 3.2 and (ii) decreased by the amount of money and the Book Value of any property comprising any distribution to the Member by the Company (net of liabilities secured by the property or to which the property is subject), and the Net Losses and any other items of deduction and loss allocated to the Member under Sections 3.1 and 3.2. The manner in which the Members' Capital Accounts are to be maintained is intended to comply with the requirements of Section 704(b) of the Code and the Treasury Regulations promulgated thereunder. If, in the opinion of the Manager based on the advice of the Company's tax and accounting advisers, the manner in which Capital Accounts are to be maintained pursuant to this Agreement should be modified to comply with Code Section 704(b) and the Treasury Regulations thereunder, then, notwithstanding anything to the contrary contained herein, the method in which Capital Accounts are maintained may be so modified by the Manager. Each Member's Capital Account balance as of the Effective Date is set forth on the Schedule of Members attached hereto under the column "Member's Capital Account balance as of November 27, 2018."

2.7 Initial Capital Contributions; Schedule of Contributions. The initial Capital Contributions of the Members are set forth on the Schedule of Members attached hereto under the column "Member's Capital Contributions," which schedule shall be amended by the Manager from time to time to accurately reflect the issuance or transfer of any Units to any new or existing Member in accordance with the agreement and to reflect any additional Capital Contributions and any other matter affecting the Member's Units, which amendment will not

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require the consent of any Member. No Member may withdraw any initial or additional Capital Contribution to, or receive any distributions from, the Company except as otherwise expressly provided in this Agreement.

2.8 Additional Capital Contributions.

(a) No Member shall be required to make any additional Capital Contributions to the Company. Any future Capital Contributions made by any Member shall only be made with the consent of the Manager or in connection with an issuance of Units made in compliance with Section 5.1(a).

(b) No Member shall be required to lend any funds to the Company, and no Member shall have any personal liability for the payment or repayment of any Capital Contribution by or to any other Member.

2.9 No Interest on Capital; In-Kind Distributions. No interest shall be paid on Members' Capital Contributions. No Member shall be entitled to demand or receive any property from the Company other than cash except as provided in this Agreement.

2.10 Limitation of Liability. The liability of the Members shall be limited in accordance with the provisions of the Act. Without limiting the generality of the foregoing, except as otherwise provided in the Act, by applicable law or expressly in this Agreement, no Member will be obligated personally for any debt, obligation or liability of the Company or other Members, whether arising in contract, tort or otherwise, solely by reason of being a Member.

ARTICLE 3
ALLOCATIONS AND DISTRIBUTIONS

3.1 Allocations. Subject to Section 3.2, Net Profits and Net Losses for each fiscal year of the Company (or portion thereof) shall be allocated among the Members in such a manner that, as nearly as possible, the Capital Account balance of each Member at the end of such fiscal year shall, to the extent possible, equal the excess of the amount of the hypothetical distribution (if any) that such Member would receive, if, on the last day of the fiscal year, (x) all Company assets, including cash, were sold for cash equal to their Book Values (but in the case of assets subject to the rules governing Company Minimum Gain chargeback or Member Minimum Gain chargeback, such provisions would apply) and (y) all Company liabilities were satisfied in cash according to their terms (limited, with respect to each nonrecourse liability, to the Book Values of the assets securing such liabilities) and the remaining amounts are distributed to the Members pursuant to Section 9.2 (a "Hypothetical Liquidation"). If for any fiscal year, such an allocation of Net Profits or Net Losses does not permit the Capital Accounts of Members to be made to equal the amount which would have been distributed to Members pursuant to a Hypothetical Liquidation as of the end of the last day of such fiscal year, individual items of gross income, gain, loss or deduction (which were the components of Net Profits or Net Losses) shall be allocated among the Members in such a manner that, at the end of such fiscal year, the Capital Account of each Member shall, to the extent possible, equal the amount which would

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have been distributed to such Member pursuant to a Hypothetical Liquidation as of the end of the last day of such fiscal year.

3.2 Regulatory Allocations. Notwithstanding any other provision of this Agreement to the contrary, the following special allocations shall be made in the following order:

(a) Company Minimum Gain Chargeback. In the event that there is a net decrease in the Company Minimum Gain during any taxable year, the minimum gain chargeback described in Sections 1.704-2(f) and (g) of the Treasury Regulations shall apply.

(b) Member Minimum Gain Chargeback. If during any taxable year there is a net decrease in Member Minimum Gain, the partner minimum gain chargeback described in Section 1.704-2(i)(4) of the Treasury Regulations shall apply.

(c) Qualified Income Offset. Any Member who unexpectedly receives an adjustment, allocation or distribution described in subparagraphs (4), (5) or (6) of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations, which adjustment, allocation or distribution creates or increases a deficit balance in that Member's Capital Account, such Member shall be allocated items of income and book gain in an amount and manner sufficient to eliminate the deficit balance in such Member's Capital Account as quickly as possible, provided that an allocation pursuant to this Section 3.2(c) shall be made if and only to the extent that such Member would have a deficit balance in the Member's Capital Account after all other allocations provided in this Section 3.2 have been tentatively made as if this Section 3.2(c) were not in the Agreement. This Section 3.2(c) is intended to constitute a "qualified income offset" as provided by Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted consistently therewith.

(d) Nonrecourse Deductions. Except as otherwise provided under Treasury Regulations, the Nonrecourse Deductions shall be allocated to the Members in proportion to their Percentage Interests.

(e) Member Nonrecourse Deductions. Member Nonrecourse Deductions shall be allocated among the Members who bear the Economic Risk of Loss for the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in the ratio in which they share the Economic Risk of Loss for such Member Nonrecourse Debt. This provision is to be interpreted in a manner consistent with the requirements of Section 1.704-2(b)(4) and (i)(1) of the Treasury Regulations.

(f) Regulatory Allocations. The allocations set forth in this Section 3.2 (the "Regulatory Allocations") are intended to comply with certain requirements of the applicable Treasury Regulations promulgated under Code Section 704(b). Notwithstanding any other provision of this Article 3, the Regulatory Allocations shall be taken into account in allocating other operating Net Profits, Net Losses and other items of income, gain, loss and deduction to the Members for Capital Account purposes so that, to the extent possible, the net amount of such allocations of Net Profits, Net Losses and other items shall be equal to the amount that would have been allocated to each Member if the Regulatory Allocations had not occurred.

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3.3 Distributions.

(a) Subject to the provisions of this Section 3.3, the Manager shall have sole discretion regarding the amount and timing of distributions to the Members. Subject to Section 9.2, all such distributions shall be made in the following order of priority (and, for the avoidance of doubt, the parties intend that for purposes of applying the following priorities, the distributions made from time to time under this Section 3.3 shall be given cumulative effect): distributions other than the Tax Distributions, if any, or distributions subject to Section 9.2 shall be made ratably to the holders of outstanding Common Units based upon their Percentage Interests.

(b) Notwithstanding Section 3.3(a), within ninety (90) days after the end of any fiscal year, to the extent of cash available for distribution (if any), the Manager may cause the Company to distribute to each Member with respect to each taxable year of the Company (excluding the taxable year in which the Company is being liquidated) an amount of cash equal to such Member's Tax Liability Amount for such taxable year (a "Tax Distribution"). For this purpose, a Member's "Tax Liability Amount" for any such taxable year of the Company means an amount equal to the excess of (I) (i) the Assumed Tax Rate multiplied by (ii) the excess of (A) the taxable income (including separately stated items) and gain allocated to such Member for such taxable year of the Company (as shown on the applicable Internal Revenue Service Form 1065 Schedule K-1 filed by the Company) minus (B) the cumulative losses that have been allocated to such Member for each taxable year of the Company to the extent such losses have not previously reduced taxable income and gain pursuant to this provision over (II) the cumulative distributions made to such Member under Section 3.3(a) and Section 9.2 (excluding Tax Distributions) during such taxable year. The "Assumed Tax Rate" shall mean the rate representing the highest federal and California income tax rate in effect for an unmarried individual resident in Los Angeles, California, taking into account the character of the income (e.g., long-term or short-term capital gain, ordinary or tax-exempt, or "qualified business income," "qualified REIT dividend" income or "qualified publicly traded partnership income" under Code Section 199A). To the extent feasible, Tax Distributions may, in the discretion of the Manager, be made on a quarterly basis based on estimates of the Company's taxable income to facilitate the Members' ability to make quarterly estimated tax payments with respect to their income from the Company. At such time as the taxable income or loss of the Company for a taxable year is finally determined for purposes of the filing of its federal income tax return for the relevant year, the amounts of any excess Tax Distributions calculated in the manner provided above received by the Members shall be used to offset future Tax Distributions to the Members for subsequent taxable years or by so reducing the proceeds of liquidation otherwise payable to such Member. All Tax Distributions made to a Member pursuant to this Section 3.3(b) shall be treated as an advance distribution to such Member, and shall reduce the amount of any distribution (other than Tax Distributions) to which such Member thereafter becomes entitled under this Agreement, whether from proceeds of the liquidation of the Company, under Sections 3.3(a), 9.2, or otherwise. For the avoidance of doubt, Tax Distributions under this Section 3.3(b) to any Member will not take into account any tax items allocated to the Member pursuant to Section 704(c) of the Code. Notwithstanding the foregoing, no Tax Distribution shall be payable in connection with a sale or liquidation of the Company or a Capital Event.

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(c) Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make any distribution in violation of the Act or other applicable law.

3.4 Tax Allocation Matters.

(a) Except as otherwise provided in this Section 3.4, all items of income, gain, loss deduction or credit for federal, state and local income tax purposes will be allocated in the same manner as the corresponding "book" items are allocated under Section 3.1 (as a component of Net Profits or Net Losses) or Section 3.2.

(b) Each Member's allocable share of the taxable income or loss of the Company, depreciation, depletion, amortization and gain or loss with respect to any contributed property, or with respect to revalued property where the Company's property is revalued pursuant to Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations, shall be determined in the manner (and as to revaluations, in the same manner as) provided in Section 704(c) of the Code. The allocation shall take into account, to the full extent required or permitted by the Code, the difference between the adjusted basis of the property to the Member contributing it and the fair market value of the property determined by the Manager at the time of its contribution or revaluation, as the case may be. The Company shall apply Section 704(c)(1)(A) by using any permissible method selected by the Manager.

(c) In the event the Company has in effect an election under Section 754 of the Code, allocations of income, gain, loss deduction or credit to affected Members for federal, state and local tax purposes will take into account the effect of such election pursuant to applicable provisions of the Code.

(d) In the event that the Company has taxable income that is characterized as ordinary income under the recapture provisions of the Code, each Member's distributive share of taxable gain or loss from the sale of Company assets (to the extent possible) shall include a proportionate share of this recapture income equal to that Member's share of prior cumulative depreciation deductions with respect to the assets which gave rise to the recapture income.

(e) Allocations pursuant to this Section 3.4 are solely for federal, state and local tax purposes and except to the extent allocations under this Section 3.4 are reflected in the allocations of the corresponding "book" items pursuant to Section 3.1 (as a component of Net Profits or Net Losses) or Section 3.2, allocations under this Section 3.4 will not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Net Profits, Net Losses, other items or distributions pursuant to any provision of this Agreement.

3.5 Allocations in Respect of Transferred Units. If any Units are transferred during any fiscal year, each item of income, gain, loss, deduction or credit of the Company for that fiscal year shall be assigned pro rata to each day in the particular period of that fiscal year to which such item is attributable (i.e., the day on or during which it is accrued or otherwise incurred) and the amount of each item so assigned to any such day shall be allocated to the Member based upon the amount of Common Units held by such Member at the close of that day.

Notwithstanding any provision above to the contrary, gain or loss of the Company realized in connection with a sale or other disposition of any of the assets of the Company shall be allocated solely to the parties owning Units as of the date that sale or other disposition occurs. If any Units are transferred in accordance with the terms of this Agreement, the transferee shall succeed to the economic attributes of the transferor (e.g., Capital Contributions balance, Adjusted Capital Contributions balance, Capital Account balance) to the extent attributable to the Units so transferred.

3.6 Allocation of Liabilities. Each Member's interest in Company profits for purposes of determining that Member's share of the nonrecourse liabilities of the Company, as used in Section 1.752-3(a)(3) of the Treasury Regulations, shall be based ratably upon the amount of Common Units held by such Member.

ARTICLE 4
ACCOUNTING AND RECORDS

4.1 Books of Account. The Company shall keep complete and accurate business and accounting books and records, which shall be open to inspection at the Company office by any Member or Member's authorized representative at any reasonable time. Each Member shall have the right to cause a special audit and/or review of Company books and records. All fees and expenses of such special audit or review shall be borne by said Member.

4.2 Accountants. The Manager may retain an independent accounting firm to review Company books and records annually, or more frequently if the Manager so decides, or to review other accounting determinations as requested by the Manager.

ARTICLE 5
MANAGEMENT AND CONTROL OF THE COMPANY

5.1 Management by the Manager. The Company shall be a manager-managed limited liability company. The manager of the Company shall be Elliot Lewis (the "Manager"), who shall serve until his until his resignation or death, at which point the successor he appoints, or, if none, the Person appointed by his heirs, shall serve as the Manager (for the avoidance of doubt, Section 17704.07(c)(5) of the Act shall not apply to the Company, and the Members shall not have any right to remove the Manager for any reason, with or without cause, or to appoint a new or additional manager). The business and affairs of the Company shall be managed, operated and controlled by or under the direction of the Manager, and the Manager shall have, and is hereby granted, the full and complete power, authority and discretion for, on behalf of and in the name of the Company, to take such actions as the Manager may in his sole discretion deem necessary or advisable to carry out any and all of the objectives and purposes of the Company, subject only to the terms of this Agreement and non-waivable provisions of the Act.

(a) Without limiting the generality of the foregoing, the Manager shall have authority to make all decisions and take all actions for the Company and any of its subsidiaries not otherwise provided for in this Agreement (which, for the avoidance of doubt, includes any of the matters reference in Section 17704.07(c)(4) of the Act), including without limitation the following:

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(i) entering into, making and performing contracts, agreements and other undertakings binding the Company or any of its subsidiaries that may be necessary, appropriate or advisable in furtherance of the purposes of the Company and making all decisions and waivers thereunder;

(ii) opening and maintaining bank and investment accounts and arrangements, drawing checks and other orders for the payment of money and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements;

(iii) hiring and employing executives, officers, supervisors, consultants and advisors of the Company and any of its subsidiaries;

(iv) to the extent that funds of the Company and any of its subsidiaries are available therefor, paying debts and obligations of the Company or any of its subsidiaries;

(v) acquiring, utilizing for the Company's or any of its subsidiaries' purposes and disposing of any asset of the Company or any of its subsidiaries;

(vi) entering into guaranties on behalf of any of the Company's subsidiaries;

(vii) determining distributions of cash and other property of the Company in accordance with this Agreement;

(viii) establishing reserves for commitments and obligations (contingent or otherwise) of the Company and any of its subsidiaries;

(ix) declaring or paying, or causing any of its subsidiaries to declare or pay, any distributions except for distributions from indirect or direct wholly owned subsidiaries;

(x) granting or causing any of its subsidiaries to grant any exclusive rights to any material intellectual property of the Company or any of its subsidiaries;

(xi) granting, or causing any of its subsidiaries to grant, any exclusive distribution rights of material value to the Company and its subsidiaries, taken as a whole;

(xii) filing or settling any action at law or in equity;

(xiii) changing the fiscal year;

(xiv) causing the Company to purchase or otherwise acquire Units (provided that this provision shall not in and of itself obligate any Member to sell any Units to the Company);

(xv) creating, authorizing, issuing, selling, acquiring, redeeming or repurchasing (including by merger or otherwise) any Units or New Interests and admitting new Members in connection therewith;

(xvi) taking any action that results in a Capital Event (including without limitation filing a bankruptcy petition or other insolvency action or seeking the appointment of a receiver for the Company);

(xvii) acquiring (including by merger, formation of a joint venture or otherwise) any debt or equity securities or other interests in, or any portion of the assets of (excluding purchases of inventory and/or equipment in the ordinary course of business), any other entity or business (in a single transaction or series of related transactions);

(xviii) incurring or approving or authorizing the incurrence of any Indebtedness or pledging any assets in a single transaction or series of related transactions);

(xix) changing strategic direction or entering into any line of business;

(xx) making any investment in any other Person; or

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(xxi) agree to take or authorize any action with respect to the foregoing.

(b) The Manager may act (i) by written consent, (ii) by delegating power and authority to any Officer in accordance with this Article 5, or (iii) by taking such actions or making such decisions described in Section 5.1(a), the taking of such actions or making of such decisions by the Manager to be conclusive evidence of his authorization and approval thereof.

(c) Each Member acknowledges and agrees that the Manager shall not be obligated to devote all of his business time to the affairs of the Company and that he and his affiliates may continue to engage, subject to the provisions of Section 7.3 and applicable law, in other business ventures for his and any of his Affiliate's respective own accounts and for the accounts of others.

(d) The Manager, in his capacity as Manager, (i) shall make no Capital Contribution and (ii) shall have no interest in profits, losses or distributions of the Company.

(e) The Company shall, promptly upon request and submission of appropriate documentation, but in no event after the end of the calendar year immediately following the calendar year in which an expense is incurred, pay all reasonable out-of-pocket costs and expenses incurred by the Manager in the course of his service hereunder.

5.2 Officers. The management of the business and affairs of the Company by the Officers and the exercising of their powers shall be conducted under the supervision of and subject to the approval of the Manager.

5.3 No Management by Members. The Members, in their capacities as such, shall not manage the business and affairs of the Company, except for situations in which the approval of the Members is required by this Agreement or non-waivable provisions of the Act.

5.4 Members' Right to Act.

(a) If and to the extent that the approval of the Members holding Units entitled to vote thereon or consent is required with respect to any matter by this Agreement or by the Act, the Members shall act through meetings and written consents as described in this Section 5.4, and such actions shall be taken by Members holding at least a majority of the outstanding Common Units. The actions taken by the Members entitled to vote or consent at any meeting (as opposed to by written consent), however called and noticed, shall be as valid as though taken at a meeting duly held after regular call and notice if (but not until), either before, at or after the meeting, the Members entitled to vote or consent as to whom such meeting was improperly held sign a written waiver of notice or a consent to the holding of such meeting or an approval of the minutes thereof. The actions by the Members entitled to vote or consent may be taken by vote of the Members entitled to vote or consent at a meeting or by written consent (without a meeting and without a vote) so long as such consent is signed by the Members having not less than the minimum number of Units that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted. Prompt notice of the action so taken without a meeting shall be given to those Members entitled

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to vote or consent who have not consented in writing. Any action taken pursuant to such written consent of the Members shall have the same force and effect as if taken by the Members at a meeting thereof. Members may participate in any meeting through the use of conference telephone, video conferencing or similar communications equipment or methods as long as all Members participating can hear one another and speak to one another.

(b) Except as expressly provided herein, no Member in its capacity as such has the authority or power to act for or on behalf of the Company in any manner, to do any act that would be (or could be construed as) binding on the Company or to make any expenditures on behalf of the Company, and the Members hereby consent to the exercise by the Manager of the powers conferred on it by law and this Agreement.

5.5 Acts of Managers and Officers as Conclusive Evidence of Authority. Any note, mortgage, deed of trust, evidence of Indebtedness, contract, certificate, statement, conveyance or other instrument or obligation in writing, and any assignment or endorsement thereof, executed or entered into between the Company and any other person or entity, when signed by an Manager, the President, Chief Financial Officer, the Secretary (if any) or any Vice-President (if any), is not invalidated as to the Company by any lack of authority of the signing Manager or officer(s) in the absence of actual knowledge on the part of the other person or entity that the signing Manager or officer(s) had no authority to execute the same.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF THE MEMBERS

6.1 Investor Suitability. Each Member is an "accredited investor" as such term is defined in Rule 501 under the Securities Act.

6.2 Preexisting Relationship; Investment Experience. Each Member has either (i) preexisting personal or business relationships with the Company or the Manager, or (ii) the capacity and wherewithal to protect such Member's own interests in connection with the ownership of Units by virtue of the business or financial expertise of such Member or of professional advisers to such Member who are unaffiliated with and who are not compensated by the Company or any of its affiliates, directly or indirectly. Each Member can bear the economic risk of an investment in the Units indefinitely. Each Member understands that no guarantees have been made or can be made with respect to the future value, if any, of the Units, or the profitability or success of the Company.

6.3 Purchase for Own Account. Each Member is acquiring the Units for its own account, and not as a nominee or agent, with the present intention of holding such securities for purposes of investment, and not with a view to the sale or distribution of any part thereof. Each Member has no intention of selling, granting any participation in, or otherwise distributing such securities in a public distribution in violation of the federal securities laws or any applicable state securities laws.

6.4 Acknowledgements. Each Member understands and acknowledges that the issuance of the securities by the Company pursuant to this Agreement will not be registered

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under the Securities Act on the grounds that the offering and sale of securities contemplated by this Agreement are exempt from registration pursuant to Section 4(a)(2) of the Securities Act and Regulation D, and that each Members' reliance upon such exemption is predicated upon each other Member's representations set forth in this Agreement. Each Member understands that no public market now exists for any of the securities issued by the Company and that the Company has made no assurances that a public market will ever exist for the Company's securities. Each Member understands that the Units are a "restricted security" under applicable U.S. federal and state securities laws and that, pursuant to these laws, each Member must hold the Units indefinitely unless it is registered with the Securities and Exchange Commission and qualified by state authorities, or an exemption from such registration and qualification requirements is available. Each Member agrees that the Company has no obligation to register or qualify the Units, or any stock of the Company into which the Units may be converted, for resale. Each Member further agrees that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the Units, and on requirements relating to the Company which are outside of such Member's control, and which the Company is under no obligation and may not be able to satisfy.

6.5 New Issuance. Each Member is aware that the Company may issue additional securities in the future which could result in the dilution of such Member's ownership interest in the Company.

6.5 Tax Consequences. Each Member has been advised to consult with its own advisors regarding all legal and tax matters concerning an investment in its Units and has done so to the extent it considers necessary or appropriate. Each Member acknowledges that the tax consequences to the Member of investing in the Company will depend on the Member's particular circumstances, and none of the Company, the Manager, the Tax Representative, the Members, nor the partners, shareholders, members, managers, agents, officers, directors, employees, affiliates, or consultants of any of them will be responsible or liable for the tax consequences to the Member of an investment in the Company. Each Member will look solely to, and rely upon, its own advisers with respect to the tax consequences of this investment. Each Member acknowledges that there can be no assurance that the Code or the Treasury Regulations will not be amended or interpreted in the future in such a manner so as to deprive the Company and the Members of some or all of the tax benefits they might now receive, nor that some of the deductions claimed by the Company or the allocations of items of income, gain, loss, deduction, or credit among the Members may not be challenged by the U.S. Internal Revenue Service or another taxing authority. Each Member is aware of the income tax consequences of the allocations made by this Agreement and hereby agrees to be bound by the provisions of this Agreement in reporting its share of Company income and losses for income tax purposes.

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ARTICLE 7
STANDARD OF CARE; COMPETITION AND OUTSIDE INTERESTS; CONFIDENTIALITY

7.1 Standard of Care.

(a) To the fullest extent permitted by the Act and other applicable law as a manager-managed limited liability company, neither any Member nor the Tax Representative, nor the Manager or any officer of the Company, shall owe any duty, including, without limitation, any fiduciary duty of loyalty or care (subject, in the case of the Manager, to Section 7.1(b)), to the Company, any other Member or any other person or entity party to or otherwise bound by this Agreement except to the extent otherwise expressly set forth in this Agreement or in other written agreements to which such Person is a party or by which it is bound. To the extent that such duties cannot be eliminated, such duties shall be limited and modified to the fullest extent permitted by the Act and other applicable law and as specifically set forth in Sections 7.2 and 7.3; provided, however, that the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing.

(b) To the fullest extent permitted by the Act and other applicable law, the fiduciary duties of the Manager shall be the following, in each case as limited and modified to the fullest extent permitted by the Act and other applicable law and as specifically set forth in Sections 7.2 and 7.3:

(i) Duty of loyalty, which shall be limited to (A) accounting to the Company and holding as trustee for it any property, profit, or benefit derived by the Manager in the conduct and winding up of the activities of the Company or derived from a use by the Manager of the Company's property, including the appropriation of a Company opportunity (subject to Sections 7.2 and 7.3); (B) refraining from dealing with the Company in the conduct or winding up of the activities of the Company as or on behalf of a person having an interest adverse to the Company; and (C) refraining from competing with the Company in the conduct or winding up of the activities of the Company (subject to Sections 7.2 and 7.3); and

(ii) Duty of care in the conduct and winding up of the activities of the Company, which shall be limited to refraining from engaging in grossly negligent or reckless conduct, intentional misconduct, or a knowing violation of law.

The foregoing are duties are further limited and modified as set forth in Sections 7.2 and 7.3, and the Members hereby acknowledge and agree that such limitations and modifications are reasonable in all respects; provided, however, that the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing.

7.2 Transactions with any Manager or Member. The Manager or any Member may, and may cause any of his/her/its affiliates to, engage in, notwithstanding that it may constitute a conflict of interest, any transaction (including, without limitation, the purchase, sale, lease or exchange of any property, the lending of money, the rendering of any service or the establishment of any salary, other compensation or other terms of employment) with the

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Company so long as such transaction (a) is approved by the Manager (if the Manager is not a party to or beneficiary of such transaction), or (b) otherwise is on terms no less favorable to the Company than it reasonably could expect to receive from an unaffiliated third party in an arms'-length transaction. Moreover, the approval required to authorize or ratify any acts or transactions that would otherwise violate the duty of loyalty set forth under Section 7.1 shall be the approval of the Members holding a majority of the Units held in the aggregate by all Members, provided that all material facts relating to such acts or transactions are fully disclosed to the Members.

7.3 Competition and Outside Activities. Subject to the last sentence of this Section 7.3, the Manager, Members and their respective officers, directors, shareholders, partners, members, managers, agents, employees, representatives and affiliates, may engage or invest in, independently or with others, any business activity of any type or description, including, without limitation, those that might be the same as or similar to the Company's business and that might be in direct or indirect competition with the Company's business. Subject to the last sentence of this Section 7.3, neither the Company nor the Manager nor any Member shall have the right in or to such other ventures or activities that such Persons are permitted to engage in hereunder or to the income or proceeds derived therefrom because of his/her/its relationship to the Company. Subject to the last sentence of this Section 7.3, neither the Manager nor any Member shall be obligated to present any permitted investment opportunity or prospective economic advantage to the Company, the Manager or any Member even if the opportunity is one of the character that, if presented to the Company, the Manager or any Member, could be taken by the Company, the Manager or any of the other Members. Subject to the last sentence of this Section 7.3, the Manager and each Member shall have the right to hold any investment opportunity or prospective economic advantage for their own account or to recommend such opportunity to Persons other than the Company, the Manager or the Members. Despite this Section 7.3 or anything else, each Member shall be liable to the Company for any and all benefits, gains, ventures, activities, opportunities, investments and economic advantages which result from, directly or indirectly, a breach by such Member (or any of the affiliates, agents or representatives thereof) of Section 7.4 or any other confidentiality obligation owing by such Member (or any of the affiliates, agents or representatives thereof) to the Company or any of its affiliates.

7.4 Confidentiality. All books, records, financial statements, tax returns, budgets, business plans and projections of the Company, all other information concerning the business, affairs and properties of the Company and all of the terms and provisions of this Agreement, in each case shall be held in confidence by each Member and his/her/its respective affiliates, subject to any obligation to comply with (a) any applicable law, (b) any rule or regulation of any legal authority or securities exchange or (c) any subpoena or other legal process to make information available to the persons entitled thereto. Such confidentiality shall be maintained to the same degree as such Member maintains his/her/its own confidential information (but in no event to a lesser degree than a reasonable person would maintain his/her/its confidential information) and shall be maintained until such time, if any, as any such confidential information either is, or becomes, published or a matter of public knowledge through no fault, directly or indirectly, of such Member or any of its affiliates, agents or representatives.

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ARTICLE 8
TRANSFER RESTRICTIONS

8.1 Generally. No Member shall directly or indirectly transfer (which, for the purposes of this Agreement, shall include, without limitation, any transfer, conveyance, sale, gift or other disposition), mortgage, pledge, encumber, hypothecate or alienate his/her/its Units or any portion or interest therein, voluntarily or by operation of law, except (a) as otherwise expressly provided for in this Article 8, or (b) with the prior written approval of the Manager.

8.2 Prohibited Transfer Is Void.

(a) Any purported transfer, mortgage, pledge, encumbrance, hypothecation or alienation of a Member's Units or any portion or interest therein that is not authorized by Section 8.1, 8.3, 8.4(b) or 8.5 or that is in breach of (or results in breach of) Section 8.2(b) (or causes, or reasonably could be expected to cause, any breach or violation of an agreement as contemplated by Section 8.2(b)) shall be void and of no effect, except that it also shall constitute a material breach of this Agreement.

(b) No transfer, mortgage, pledge, encumbrance, hypothecation or alienation of Member's Units or any portion or interest therein shall be permitted or recognized if its consummation would cause (or reasonably could be expected to cause) a breach or violation of any agreement to which the Company is a party or by which any of its property is bound, including, without limitation, any loan or security agreement in respect of the Company or any of its property.

(c) Notwithstanding any provision of this Agreement to the contrary, but without limiting Section 1.9(e), there shall be no transfer (including, without limitation, any Permitted Transfer) of Member's Units or any portion or interest therein if such transfer would constitute a transaction effected through an "established securities market" within the meaning of Treasury Regulations Section 1.7704-1(b) or otherwise cause the Company to be a "publicly traded partnership" within the meaning of Section 7704 of the Code or an association taxable as a corporation under the Code.

8.3 Option to Purchase upon Specified Events.

(a) Option Events. Upon the occurrence of any of the following events (each referred to hereinafter as an "Option Event") affecting a Member (the "Affected Member"), the Company (or its assignee(s), as determined by the Manager in his discretion) and then the unaffected Members shall have the option to purchase the Units of such Affected Member as described in Section 8.3(b), for the price and upon the terms set forth in Sections 8.3(c) and 8.3(d) of this Agreement: (i) the maintenance of any proceeding initiated by or against the Affected Member under any bankruptcy or debtors' relief laws of the United States or of any other jurisdiction, which proceeding is not terminated within ninety (90) days after its commencement; (ii) a general assignment for the benefit of the creditors of the Affected Member; (iii) a levy upon the Affected Member's Units pursuant to a writ of execution or subject to the authority of any governmental entity, which levy is not removed within thirty (30) days, to

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extent of the Affected Member's Units subject to such levy; (iv) the Affected Member ceases to be permitted to hold the Affected Member's Units under applicable law; and (v) the entry of a final judgment of dissolution of marriage of the Affected Member if, in connection with such dissolution, the spouse of such Affected Member is awarded or transferred all or any portion of such Affected Member's Units (or any interest therein) as a result of or in connection with a property settlement agreement or otherwise, but in such event such option to purchase shall extend only to the Units or interest therein that is so awarded or transferred to the ex-spouse of such Affected Member. All of the Affected Member's Units in the case of clause (i), (ii) or (iv) above, or that portion of the Affected Member's Units that is the subject of levy in the case of clause (iii) above, or that portion of the Affected Member's Units that is or will be awarded or transferred to the Affected Member's ex-spouse in the case of clause (v), is hereinafter referred to as the "Affected Units."

(b) Exercise of Option. The Affected Member or his/her/its legal representative shall give written notice to the Company and the other Members upon the occurrence of an Option Event. Upon receipt of written notice of the occurrence of an Option Event and for a period of thirty (30) days thereafter, the Company shall have the first option to purchase all or any portion of the Affected Units, provided that in the event of the dissolution of the marriage of an Affected Member, the divorced Affected Member shall have, during the first fifteen (15) days of such thirty (30) day period, a concurrent but priority right to purchase the Affected Units or interest therein that has been awarded or transferred to his or her spouse as a result of or in connection with the dissolution of his or her marriage. In the event that the Company, and, in any situation where an Affected Member has such a concurrent but priority option to purchase, such Affected Member, do not elect to purchase all of the Affected Units within such thirty (30) day period, the Company shall forthwith notify each of the unaffected Members of the election not to purchase all or a portion of the Affected Units and such Members shall then have the option for a period of fifteen (15) days from the receipt of such notice to purchase that portion of the Affected Units not purchased by the Company and/or the divorced Affected Member. Within fifteen (15) days after the receipt of such notice, any of the unaffected Members desiring to acquire any part or all of the Affected Units ("Purchasing Members") shall deliver to the Company a written election to purchase such Affected Units or a specified portion thereof. If the total amount of the Affected Units specified in such elections exceeds the actual amount of the Affected Units to be transferred, each such Purchasing Member shall have priority, up to the portion of the Affected Units specified in his/her/its notice of election to purchase, to purchase such proportion of the Affected Units to be transferred as the Units which he/she/it holds bears to the total Units held by all Purchasing Members electing to purchase. In the event that any portion of the Affected Units would remain after application of the above formula, the remaining portion of the Affected Units shall be available for purchase among the Purchasing Members as determined in the discretion of the Manager.

(c) Notice of Exercise of Option. If the Company and/or the Purchasing Member(s) elect to purchase Affected Units, the Company shall give notice of such election, setting forth the portion of such Affected Units to be purchased by each such purchaser, by giving written notice of such election to the Affected Member and, if applicable, his/her/its receiver or trustee in bankruptcy, the creditor who secured a levy upon the Affected Member's assets, or such Affected Member's legal representative or spouse, as the case may be. Such

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notice shall be given within thirty (30) days after the Company's receipt of notice of the Option Event giving rise to the option to purchase in the event the Company elects to purchase Affected Units, or within fifteen (15) days after the Members have received notice of the Company's election not to purchase all of such Affected Units in the event all or a portion of the Affected Units is to be purchased by any Purchasing Member(s).

(d) Determination of Purchase Price. The Purchase Price to be paid by the Company and/or Purchasing Members upon the exercise of any option to purchase the Affected Units under Section 8.3(c) above shall be the "Fair Market Value" of the Affected Units.

(i) Fair Market Value. The Fair Market Value of the Affected Units to be purchased by the Company and/or Purchasing Members shall be determined as of the date of the Option Event, as determined by agreement of the Affected Member, as one party, and the Company, as another party (unless the Purchasing Members purchase a majority of the Affected Units, in which case the Purchasing Members shall be the other party) (the "Buying Party," as the case may be). If the Affected Member and the Buying Party are unable to agree upon a value of the Affected Units within 30 days following the notice of exercise of the option pursuant to Section 8.3(c) above, the Affected Member and the Buying Party shall each appoint, at their own respective cost, within 15 days following the expiration of the time for mutual agreement, an independent qualified appraiser (as so timely appointed, a "Qualified Appraiser"), who shall be a professional appraiser reasonably qualified by experience and ability to appraise the ownership interests of a closely held business. If both Qualified Appraisers agree on the Fair Market Value of the Affected Units, their opinion shall be conclusive and binding. If only one of the parties timely appoints a Qualified Appraiser, that appraiser's written opinion on the Fair Market Value shall be conclusive and binding. If, however, the two (2) Qualified Appraisers disagree on the Fair Market Value, then they shall appoint a third Qualified Appraiser mutually acceptable to them within 15 days after completion of the last of the two (2) Qualified Appraisers' determination of value. The fees and expenses of the third Qualified Appraiser shall be divided equally between the Affected Member, on the one hand, and the Company and/or the Purchasing Members (in proportion to the portion of the Affected Units to be acquired from the Affected Member by each such party), on the other. The third Qualified Appraiser shall, within 30 days of his, hers or its appointment, make a written determination of the Fair Market Value. Upon completion of such third appraisal, the median value of the three (3) appraisals shall be the Fair Market Value of the Affected Units for purposes of this Section 8.3.

(ii) Binding Effect. For all purposes of this Section 8.3 (and, as it relates to this Section 8.3, Article 8), the value determined pursuant to this Section 8.3(d) shall be conclusive and binding upon the parties to this Agreement (including, without limitation, the Affected Member), their respective legal representatives, their respective successors in interest, and the Members' respective spouses (including, without limitation, any Affected Member's ex-spouse, as contemplated by clause Section 8.3(a)).

(e) Payment of Purchase Price.

(i) Form of Payment. Each particular purchaser (i.e., the Company or any Purchasing Member) may pay, in his/her/its discretion, the purchase price for his/her/its

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portion of the Affected Units in cash, via a negotiable promissory note (a "Note") or a combination of the two (subject to any applicable tax withholding). If a Note will be used as payment of such purchase price, then the purchaser shall execute and deliver such Note in the principal amount determined by subtracting the aggregate purchase price to be so paid by such purchaser less the amount of any upfront cash to be paid by such purchaser as part of such purchase price. The purchase price shall be paid, including such cash and any such Note, subject to any applicable tax withholding, by delivery thereof to the Affected Member or, in the case of an Option Event falling within clause (v) of Section 8.3(a), his or her spouse, no later than thirty (30) days following the later of: (A) the giving of notice pursuant to Section 8.3(c) containing the election of the Company and/or the Purchasing Members, to purchase the Affected Units; or (B) if applicable, receipt of the decision of the appraiser(s) as to the value of the Affected Units under Section 8.3(d).

(ii) Terms of any Note. Each Note under this Section 8.3 shall be fully amortized and payable over a period of forty-eight (48) months and shall bear interest from the date of delivery at a rate equal to five percent (5%) per annum or the maximum lawful rate, whichever is less. Interest and principal on the Note shall be payable in equal quarterly installments commencing three (3) months after the date specified in Section 8.3(e)(i) above for delivery of the Note(s). The Note shall be subject to prepayment, in whole or in part, without penalty, at any time, provided that prepaid sums shall be applied against the installments thereafter falling due in inverse order of their maturity, or against all the remaining installments equally, at the option of the payee. The Note shall provide that, in case of default, at the election of the holder, the entire sum of principal and interest shall immediately be due and payable, and that the makers shall pay reasonable attorney's fees to the holder in the event suit is commenced because of default. Each Note shall be secured by a pledge of the Affected Units so purchased, with the pledgeholder being mutually agreeable to the pledgee and the pledger and with the pledge agreement containing such other terms and provisions as are customary and reasonable.

(f) Agreement to Transfer. Each Affected Member agrees that, upon receipt of the purchase price for the Affected Units being transferred under this Section 8.3, including, without limitation, any Note(s) being provided as payment of such purchase price, such Member or his/her/its legal representative shall deliver all documents which are required to transfer the Affected Units to the Company and/or the Purchasing Member(s). If the Affected Member or such legal representative refuses to do so, the Company shall nevertheless enter the transfer on its Member records and hold such consideration available for the Affected Member, and thereafter all voting rights (if any) of such Affected Units shall be exercised by the designated transferees of such Affected Units under this Agreement.

(g) Binding on Ex-Spouses. This Section 8.3 shall be binding, with respect to any Option Event falling within clause (v) of Section 8.3(a), on the Affected Member and his or her ex-spouse with respect to any Affected Units that at any time is awarded or transferred to such ex-spouse in connection with the dissolution of marriage of such Affected Member and such ex-spouse.

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8.4 Permitted Transfers and Permitted Transferees.

(a) Any permitted transferee covered by Section 8.4(b), any other transferee of all or any portion of a Member's Units whose transfer is preapproved by the Manager as contemplated by clause (b) of Section 8.1 or by Section 8.5, and any Purchasing Member that is a transferee under Section 8.3, is, with respect to the associated Permitted Transfer, a "Permitted Transferee" for the purposes of this Agreement. Any transfer permitted by and complying with Section 8.4(b) or Section 8.5, or for which the transferor Member obtains the prior written approval of the Manager, or which is done in compliance with Section 8.3, is a "Permitted Transfer" for the purposes of this Agreement.

(b) Notwithstanding Sections 8.1 and 8.2(a), but subject to Sections 8.2(b), 8.2(c) and 8.6, any Member may transfer all or any portion of his/her/its Units, without consent, to any of the following: (i) another Member; (ii) an inter vivos trust established for estate planning purposes for the sole benefit of the transferring Member and/or one or more members of that Member's immediate family (including, without limitation, the Member's father, mother, siblings, spouse, children and grandchildren) and of which the Member is a trustee; and (iii) in the event of the death or adjudicated incompetence of a Member, such Member's legal representatives, estate, heirs, or a testamentary trust established for the sole benefit of one or more of the Member's immediate family.

8.5 Change-of-Control Transaction.

(a) Participation. At any time prior to the consummation of a sale, in a firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act, of common stock of the Company, following which the common stock of the Company has been sold to the public and becomes listed on any national securities exchange or quoted on the NASDAQ Stock Market System, if the Company, upon approval of the Manager, proposes to consummate, in one transaction or a series of related transactions, a Capital Event (a "Change-of-Control Transaction"), the Company shall have the right, after delivering the Sale Notice in accordance with Section 8.5(c) and subject to compliance with Section 8.5(d), to require that each Member participate in such Change-of-Control Transaction (including, if necessary, by conversion of any equivalents or other rights in the Units to be sold in the Change-of-Control Transaction) in the manner set forth in Section 8.5(b).

(b) Sale of Units. Subject to compliance with Section 8.5(d):

(i) If the Change-of-Control Transaction is structured as a sale resulting in a majority of the Common Units of the Company on a Fully Diluted Basis being held by a third party, then each Member shall sell, with respect to each class or series of Units proposed by the Company to be included in the Change-of-Control Transaction, the number of Units of such class or series equal to the product obtained by multiplying (i) the number of applicable Units on a Fully Diluted Basis that the third party proposes to acquire by (ii) a fraction (x) the numerator of which is equal to the number of applicable Units on a Fully Diluted Basis held by such Member, and (y) the denominator of which is equal to the number of applicable Units on a Fully Diluted Basis held by all of the Members; and

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(ii) If the Change-of-Control Transaction is structured as a sale of all or substantially all of the consolidated assets of the Company or as a merger, consolidation, recapitalization, or reorganization of the Company or other transaction requiring the consent or approval of the Members, then notwithstanding anything to the contrary in this Agreement (including Section 5.4), each Member shall vote in favor of the transaction and otherwise consent to and raise no objection to such transaction, and shall take all actions to waive any dissenters', appraisal or other similar rights that it may have in connection with such transaction. The distribution of the aggregate consideration of such transaction shall be made in accordance with Section 9.2.

(c) Sale Notice. The Company shall exercise its rights pursuant to this Section 8.5 by delivering a written notice (the "Sale Notice") to the Members no later than fifteen (15) days prior to the closing date of such Change-of-Control Transaction. The Sale Notice shall describe in reasonable detail the material terms and conditions of the Change-of-Control Transaction.

(d) Conditions of Sale. The obligations of the Members in respect of a Change-of-Control Transaction under this Section 8.5 are subject to the satisfaction of the following conditions: (A) in the case of a merger, consolidation or sale of all or substantially all the assets or stock of the Company, the Change-of-Control Transaction involves a bona fide offer pursuant to an arm's-length transaction between the Company or its Members and a third party; and (B) all Members receive the same amount and type of consideration (or distribution) per Unit in the Change-of-Control Transaction.

(e) Cooperation. Each Member shall execute the applicable purchase agreement (and any related ancillary agreements in connection with the Change-of-Control Transaction) and make or provide the same representations, warranties, covenants, indemnities (directly to the third party and/or indirectly pursuant to a contribution agreement, as required by the Company), purchase price adjustments, escrows and other obligations as the Company requires the other Members to make or provide in connection with the Change-of-Control Transaction. Each Member shall take all other actions as may be reasonably necessary to consummate the Change-of-Control Transaction, including, without limitation, entering into agreements and delivering certificates and instruments, in each case, consistent with those that the Company is requiring to be entered into and/or delivered by the other Members.

(f) Expenses. To the extent that any Member incurs fees and expenses (in each case that have been approved in advance by the Manager) in connection with a Change-of-Control Transaction (it being understood that costs incurred by or on behalf of a Member for its sole benefit will not be considered to be for the benefit of all Members), to the extent not paid or reimbursed by the Company or the third party, shall be shared by all the Members on a pro rata basis, based on the consideration received by each such Member; provided, that no Member shall be obligated to make any out-of-pocket expenditure prior to the consummation of the Change-of-Control Transaction.

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8.6 Admission of Substituted Member. If a Permitted Transfer is to be consummated and if the subject Permitted Transferee is not, prior to such consummation, a Member, then the Permitted Transferee of such Permitted Transfer shall be admitted to the Company as a substituted Member subject to satisfaction of the following conditions: (a) the Permitted Transfer is consummated in compliance with this Agreement; (b) the Manager approves the form and content of the instruments and documents regarding such Permitted Transfer; (c) the Permitted Transferee accepts and adopts in writing all of the terms and conditions of this Agreement, as then in effect; (d) the transferor Member or the Permitted Transferee pays all costs and expenses incurred by the Company in connection with such admission, including, without limitation, legal and accounting fees; (e) the transferor and transferee have provided the Company with such information, documentation and forms requested by the Company to determine whether any withholding applies to the Transfer and evidence satisfactory to the Company that any such applicable withholding was done in compliance with applicable law; and (f) upon admission, the Schedule of Members shall be amended accordingly.

8.7 Restrictions on Transferees. A transferee of all or any part of a Member's Units who does not become a substituted Member shall have no right to require any information or accounting of the Company's transactions, to inspect the Company's books or to vote on Company matters. In addition, subject to Section 1.10 and Section 8.2, such transferee shall only be entitled to receive the share of distributions and the allocations of Net Profits and Net Losses and other items of income, gain, loss, deduction and credit to which the transferor would otherwise have been entitled.

ARTICLE 9
DISSOLUTION

9.1 Dissolution of the Company. The Company shall dissolve: (a) at the election of the Manager (subject to the approval of a majority of the outstanding Units); (b) upon the sale or other disposition of all or substantially all of the assets of the Company; or (c) the occurrence of any other event causing a dissolution of the Company under the Act.

9.2 Distribution of Assets Upon Liquidation or Capital Event. Upon the liquidation or dissolution of the Company, after payment of the Company's debts and liabilities and the provision for adequate reserves (as reasonably determined by the Manager), the assets of the Company shall promptly be distributed to the Members as follows:

(a) First, to the Members pro rata in accordance with their respective Adjusted Capital Contributions balances until each Member's Adjusted Capital Contributions balance has been reduced to zero ($0); and

(b) Then, ratably to the holders of outstanding Common Units based upon their Percentage Interests immediately prior to such distribution.

All distributions of cash available for distribution resulting from the proceeds of a Capital Event shall be made to the Members in accordance with the order of priority set forth in this Section 9.2. In the event of any Capital Event, the Company and the Members shall ensure that

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the definitive agreements regarding such Capital Event provide for distributions in accordance with this Section 9.2.

9.3 Restoration of Negative Capital Accounts. Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations, if any Member has a deficit Capital Account balance (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), that Member shall not have any obligation to make any contribution to the capital of the Company, and the negative balance of that Member's Capital Account shall not be considered a debt owed by that Member to the Company or to any other person for any purpose whatsoever.

9.4 Distribution of Assets in Kind. After all debts of the Company have been paid, the Manager may determine (which determination shall be binding on all Members) to distribute all or a portion of the assets of the Company in kind. Any non-cash asset distributed to one or more Members shall first be valued at its fair market value by the Manager to determine the Net Profit or Net Loss that would have resulted if that asset had been sold for that value, the Net Profit or Net Loss shall then be allocated pursuant to Article 3, and the Members' Capital Accounts shall be adjusted to reflect those allocations. The amount distributed and charged to the Capital Account of each Member receiving an interest in the distributed asset shall be the fair market value of the interest determined by the Manager (net of any liability secured by the asset that the Member assumes or takes subject to).

9.5 Certificate of Dissolution. Upon completion of the winding up of the Company, the Members shall prepare, execute and deliver to the California Secretary of State a certificate of dissolution in accordance with the Act.

9.6 Recourse to Assets. Each Member agrees to look solely to the assets of the Company for any distributions or return of such Member's Capital Contributions.

ARTICLE 10
INDEMNIFICATION

10.1 Indemnification Generally. Subject to any limitations on indemnification mandated by the Act, the Company shall indemnify and hold harmless any person (an "Indemnified Person") made, or threatened to be made, a party to an action or proceeding, whether civil, criminal or investigative (a "Proceeding"), including an action by or in the right of the Company, by reason of the fact that such Indemnified Person was or is (a) a Manager of the Company, (b) a Member, (c) an officer of the Company, (d) the Tax Representative, (e) an Affiliate of a Manager, the Tax Representative, a Member or an officer of the Company, or (f) an officer, director, shareholder, partner, member, employee, manager or agent of any of the foregoing, or by reason of the fact that such person was or is serving at the request of the Company as a manager, Tax Representative, director, officer, employee, or other agent of another limited liability company, corporation, partnership, joint venture, trust, or other enterprise, against Damages incurred as a result of such Proceeding or any appeal thereof; provided, however, that no such person shall be indemnified or held harmless if and to the extent that the Damages for which indemnification is sought results from any of such person's (or such

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person's agent's or representative's) acts or omissions (i) in bad faith, (ii) for a purpose which the person at issue (A) did not reasonably believe to be in, or not opposed to, the best interests of the Company and (B) with respect to criminal proceedings, additionally had no reasonable cause to believe was unlawful, (iii) that involves fraud, willful misconduct, gross negligence or reckless disregard of duty, (iv) that constitutes a material breach of this Agreement, or (v) from which such person derives an improper personal benefit. The Company's indemnification obligations hereunder shall survive the termination of the Company. As used herein, "Damages" means any and all judgments, fines, taxes, amounts paid in settlement, and reasonable expenses (including investigation, accounting and attorneys' fees).

10.2 Contract Right; Expenses. The right to indemnification conferred in this Article 10 shall be a contract right and shall include the right to require the Company to advance the expenses incurred by the Indemnified Person in defending any such Proceeding in advance of its final disposition; provided, however, that the payment of such expenses in advance of the final disposition of a Proceeding shall be made only upon receipt by the Company of an undertaking, by or on behalf of the Indemnified Person, to repay all amounts so advanced if it shall be determined that such Indemnified Person is not entitled to be indemnified under this Article 10 or otherwise.

10.3 Indemnification of Employees and Agents. The Company may, to the extent authorized from time to time by the Manager, grant rights to indemnification and to advancement of expenses to any employee or agent of the Company to the fullest extent of the provisions of this Article 10 with respect to the indemnification and advancement of expenses of the Manager, Tax Representative, Members and officers of the Company.

10.4 Nonexclusive Right. The right to indemnification and the payment of expenses incurred in defending a Proceeding in advance of its final disposition conferred in this Article 10 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute or agreement, or under any insurance policy obtained for the benefit of the Company, the Manager, the Tax Representative, any Member and/or any officer of the Company.

10.5 Insurance. The Manager may cause the Company to purchase and maintain insurance on behalf of any person (including, without limitation, the Manager, the Tax Representative, any Member and/or any officer of the Company) who is or was an agent of the Company against any liability asserted against that person and incurred by that person in any such capacity or arising out of that person's status as an agent of the Company, whether or not the Company would have the power to indemnify that person against liability under this Agreement or applicable law.

ARTICLE 11
MISCELLANEOUS

11.1 Entire Agreement. This Agreement and the Articles of Organization constitute the complete and exclusive statement of agreement among the Manager and the Members with respect to their respective subject matters and supersede all prior written and oral agreements or statements between or among the Manager and/or the Members with respect to such subject matter.

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11.2 Amendments. Except as otherwise expressly provided herein, all amendments to this Agreement or the Articles of Organization must be made in a writing and signed by the Manager and the Members holding a majority of the Units held in the aggregate by all Members. Any such amendment shall be binding on all Members.

11.3 Offset Privilege; No Partition. Any monetary obligation owing from the Company to any Member may be offset by the Company against any monetary obligation then owing from that Member to the Company. No Member shall have the right to seek the partition of any property belonging to the Company. Upon any breach of the preceding sentence by any Member, the other Members shall be entitled to a decree or order restraining and enjoining any application, action or petition for partition and shall not be required to post bond in conjunction therewith.

11.4 Remedies Cumulative. Except as otherwise provided herein, the remedies under this Agreement are cumulative and shall not exclude any other remedies to which any Person may be lawfully entitled.

11.5 Notices. Any notice to be given to the Company, the Manager or any Member in connection with this Agreement must be in writing and will be deemed to have been given and received when delivered to the address, facsimile number or email address specified by the party to receive the notice by courier or other means of personal service, when received if sent by facsimile or email, or three (3) calendar days after deposit of the notice by first class mail, postage prepaid, or certified mail, return receipt requested. The Manager's and each Member's initial address, facsimile number and/or email address for such notices is specified on the Schedule of Members. Any party may, by giving five (5) calendar days' prior written notice to the other parties, designate any other address, facsimile number or email address as the new address, facsimile number or email address to which notice to such first party is to be given. Any notice to the Company shall be directed to the attention of the Manager at his current address, facsimile number or email address.

11.6 Attorneys' Fees. The prevailing party in any action to enforce this Agreement shall be entitled to its costs and fees (including, without limitation, reasonable attorneys' fees and expert witness fees) incurred in connection with such action.

11.7 Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to any conflicts of laws principles of the State of California or any other jurisdiction that would call for the application of the law of any jurisdiction other than the State of California. The Manager and each Member consent to the exclusive jurisdiction of the state courts sitting in Los Angeles County, California in any action on a claim arising out of, under or in connection with this Agreement or any of the transactions contemplated by this Agreement. The parties hereto acknowledge and agree (a) that cannabis businesses are not permitted under, or may otherwise violate, federal law and (b) that any illegality or violation of federal law applicable to cannabis businesses shall not be a defense to enforceability of this Agreement.

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11.8 Interpretation. Article and Section headings in this Agreement are inserted only for convenience of reference and are not to be considered in the interpretation or construction of any provision of this Agreement. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if all parties had prepared it.

11.9 Severability. If any provision of this Agreement or the application of that provision to any person or circumstance shall be held invalid, the remainder of this Agreement or the application of that provision to persons or circumstances other than those to which it is held invalid shall not be affected.

11.10 No Third-Party Rights. No Person other than the Manager, a Member or a person entitled to indemnification pursuant to Article 10 shall have any legal or equitable right, remedy or claim, or be a beneficiary, under or in respect of this Agreement.

11.11 Multiple Counterparts; Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement may be executed and delivered by PDF, facsimile and/or electronic signatures, and any such PDF, facsimile or electronic signature shall be deemed an original for purposes of evidencing execution of this Agreement.

11.12 Successors in Interest. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their personal representatives and, subject to the applicable provisions of this Agreement, their successors and assigns.

11.13 Consent of Spouse. Any Member who is married shall ensure that his or her spouse (if not also a Member) executes a Consent of Spouse in the form attached to this Agreement. Any such signed Consent of Spouse shall be attached to this Agreement.

ARTICLE 12
CERTAIN DEFINITIONS

"Adjusted Capital Contribution" of a Member means the excess of (i) that Member's aggregate Capital Contributions to the Company, over (ii) distributions to that Member under Section 9.2(a) (including pursuant to Section 3.3(b)).

"Book Value" means, with respect to any asset of the Company, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Book Value of any asset contributed by a Member to the Company shall be such asset's gross fair market value (as determined by the Manager) at the time of such contribution;

(b) The Book Value shall be adjusted in the same manner as would the asset's adjusted basis for federal income tax purposes, except that the depreciation deduction taken into account each fiscal year for purposes of adjusting the Book Value of an asset shall be the amount of Depreciation with respect to such asset taken into account for purposes of computing Net Profits or Net Losses for the fiscal year;

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(c) The Book Value of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Sections 734(b) or 743(b) of the Code, but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Section 1.704-(b)(2)(iv)(m) of the Treasury Regulations and this Agreement; provided, however that Book Values shall not be adjusted pursuant to this subsection (c) to the extent that the Manager, in his sole discretion, determines that an adjustment pursuant to subsection (e) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subsection (c);

(d) The Book Value of any asset distributed to a Member by the Company shall be such asset's gross fair market value (as determined by the Manager) at the time of such distribution; and

(e) The Book Value of all Company assets shall be adjusted to equal their respective gross fair market values (taking Section 7701(g) of the Code into account), as of the following times: (i) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (ii) the distribution by the Company to a Member of more than a de minimis amount of Company property as consideration for an interest in the Company; (iii) the grant of an interest in the Company (other than a de minimis interest) as consideration for the provision of services to or for the benefit of the Company by an existing Member acting in a Member capacity, or by a new Member acting in a Member capacity or in anticipation of becoming a Member, and (iv) the liquidation of the Company within the meaning of Section 1.704-I(b)(2)(ii)(g) of the Treasury Regulations; provided that an adjustment described in clauses (i), (ii) or (iii) of this paragraph shall be made only if the Manager determines that such adjustment is necessary to reflect the relative economic interests of the Members in the Company.

"Capital Contribution" means, with respect to any Member, the amount of cash and the fair market value of other property (determined by the Manager as of the date of contribution and net of liabilities secured by such property that the Company assumes or to which the Company's ownership of the property is subject) contributed by each Member to the capital of the Company.

"Capital Event" means: (a) the purchase or other acquisition directly from the Members, by a person or entity (or group of persons or entities), in one transaction or a series of related transactions, of at least a majority of all of the then-outstanding Units; (b) the sale of all or substantially all of the assets of the Company to a third party; or (c) a merger, consolidation or other reorganization in which (i) the Company is a constituent party, or (ii) a subsidiary of the Company is a constituent party (and in the case of (ii), the Company issues shares of its capital stock (or analogous equity interests) pursuant to such merger, consolidation or reorganization), except any such merger, consolidation or reorganization involving the Company or such subsidiary in which the voting equity interests of the Company outstanding immediately prior to such merger, consolidation or reorganization continue to represent, or are converted into or exchanged for voting equity interests that represent, immediately following such merger, consolidation or reorganization, at least a majority, by voting power, of the voting equity interests of (1) the surviving or resulting entity; or (2) if the surviving or resulting entity is a wholly owned subsidiary of another entity immediately following such merger, consolidation or reorganization, the parent entity of such surviving or resulting entity.

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"Company Minimum Gain" with respect to any taxable year of the Company means the "partnership minimum gain" of the Company computed strictly in accordance with the principles of Sections 1.704-2(b)(2) and 1.704-2(d) of the Treasury Regulations.

"Depreciation" means an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for the fiscal year or other period for U.S. federal income tax purposes, except that if the Book Value of an asset differs from its adjusted tax basis at the beginning of the fiscal year or other period, Depreciation will be an amount which bears the same ratio to the beginning Book Value as the federal income tax depreciation, amortization or other cost recovery deduction for the fiscal year or other period bears to the beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization or other cost recovery deduction for the fiscal year or other period is zero, Depreciation will be determined by reference to the beginning Book Value using any reasonable method selected by the Manager.

"Economic Risk of Loss" means the economic risk of loss within the meaning of Section 1.752-2 of the Treasury Regulations.

"Fully Diluted Basis" means, as of any date of determination, (a) with respect to all the Units, all issued and outstanding Units of the Company and all Units issuable upon the exercise of any other outstanding security or obligation as of such date, whether or not exercisable is at the time, or (b) with respect to any specified type, class or series of Units, all issued and outstanding Units designated as such type, class or series and all such designated Units issuable upon the exercise of any outstanding security or obligation as of such date, whether or not exercisable at the time.

"Imputed Underpayment Amount" shall mean any "imputed underpayment" within the meaning of Section 6225 of the Code (and any Treasury Regulations promulgated thereunder and with respect thereto), and under any comparable provision of state law, paid (or payable) by the Company as a result of an adjustment with respect to any item of Company income, loss, gain, deduction or credit, including any interest or penalties with respect to any such adjustment.

"Indebtedness" means at a particular time, without duplication, (a) any indebtedness for borrowed money or issued in substitution or exchange for indebtedness for borrowed money, (b) any indebtedness evidenced by any note, bond, debenture or other debt security, (c) any indebtedness for the deferred purchase price of property or services with respect to which a Person is liable, contingently or otherwise, as obligor or otherwise, (d) any commitment by which a Person assures a creditor against loss (including contingent reimbursement obligations with respect to letters of credit), (e) any indebtedness guaranteed in any manner by a Person (including guaranties in the form of an agreement to repurchase or reimburse), (f) any obligations under capitalized leases with respect to which a Person is liable, contingently or otherwise, as obligor, guarantor or otherwise, or with respect to which obligations a Person assures a creditor against loss, (g) any indebtedness secured by a lien or encumbrance on a Person's assets, and (h) accrued interest to and including at the time of determination in respect of any of the obligations described in the foregoing clauses (a)-(g) of this definition and all premiums, penalties, charges, fees, expenses and other amounts that are or would be due

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(including with respect to early termination) in connection with the payment and satisfaction in full of such obligations.

"Member Minimum Gain" has the meaning given to the term "partner nonrecourse debt minimum gain" in Section 1.704-2(i) of the Treasury Regulations.

"Member Nonrecourse Debt" has the meaning ascribed to the term "partner nonrecourse debt" in Section 1.704-2(b)(4) of the Treasury Regulations.

"Member Nonrecourse Deductions" means the Company deductions, losses and Code Section 705(a)(2)(B) expenditures that are treated as deductions, losses and expenditures attributable to Member Nonrecourse Debt under Section 1.704-2(i)(2) of the Treasury Regulations.

"Net Profits" and "Net Losses" means, for each fiscal period, the net income and net loss, respectively, of the Company for such period as determined in accordance with federal income tax principles (including rules governing depreciation and amortization), subject to the following adjustments:

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Profits or Net Losses shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing Net Profits or Net Losses shall be subtracted from Net Profits or Net Losses;

(c) Gains or losses resulting from any disposition of a Company asset with respect to which gains or losses are recognized for federal income tax purposes shall be computed with reference to the Book Value of the Company asset disposed of, notwithstanding the fact that the adjusted tax basis of such Company asset differs from its Book Value;

(d) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing the taxable income or loss, there will be taken into account Depreciation;

(e) If the Book Value of any Company asset is adjusted upon the events and in the manner specified in Treasury Regulations Section 1.704-1(b)(2)(iv)(f), the amount of the adjustment will be taken into account as gain or loss from the disposition of the asset for purposes of computing Net Profits or Net Losses;

(f) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Treasury Regulations Section 1.704-(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from

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the disposition of the asset and shall be taken into account for purposes of computing Net Profits or Net Losses; and

(g) Any gain, income, deductions or losses specially allocated pursuant to Section 3.2 shall not be taken into account in determining Net Profits or Net Losses.

"Nonrecourse Deductions" in any fiscal year means the amount of Company deductions that are characterized as "nonrecourse deductions" under Sections 1.704-2(b)(1) and 1.704-2(c) of the Treasury Regulations.

"Percentage Interest" means, with respect to any Member, the ratio, expressed as a percentage, equal to the aggregate number of Common Units held by such Member over the aggregate number of Common Units held by all the Members.

"Securities Act" means the Securities Act of 1933, as amended, and the applicable rules and regulations thereunder, and any successor to such statute, rules or regulations. Any reference herein to a specific section, rule or regulation of the Securities Act shall be deemed to include any corresponding provisions of future law.

"Units" means units of the Company representing a fractional part of the limited liability company membership interests owned by a Member at any particular time, including such Member's transferable interest and the right of such Member to any and all benefits to which a Member may be entitled under the Act or this Agreement, together with the obligation to comply with all terms and provisions of the Act and this Agreement.

[The remainder of this page is left blank intentionally.]

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IN WITNESS WHEREOF, the Members and the Manager have executed this Agreement, and acknowledge and agree to this Agreement, in each case effective as of the Effective Date.

MEMBERS:

EEL Holdings, LLC

By: _____
Name: Elliot Lewis
Title: Authorized representative

North Cord Management, LLC

By: _____
Name: Elliot Lewis
Title: Authorized representative

NC10 LLC

By: _____
Name: Elliot Lewis
Title: Authorized representative

Ryan Cameron Rayburn Collective

By: _____
Name: Ryan Cameron Rayburn
Title: Authorized representative

_____
Elliot Lewis

_____
Anna Lewis

MANAGER:

_____
Elliot Lewis

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ACTION BY UNANIMOUS WRITTEN CONSENT OF THE MANAGER OF SOUTH CORD HOLDINGS LLC

Dated: October 14, 2024

The undersigned, constituting the sole manager (the "Manager") of South Cord Holdings LLC, a California limited liability company (the "Company"), in lieu of holding a meeting of the Manager, hereby adopts the below resolutions by unanimous written consent of the Manager without a meeting, effective as of the date first set forth above, in accordance with the Company's Limited Liability Company Operating Agreement, dated as of November 17, 2018 (the "Operating Agreement"). Capitalized terms used but not defined herein have the meanings set forth in the Operating Agreement.

1. **Transfer of Units to Rogelio Salgado**

WHEREAS, on September 24, 2024, Rogelio Salgado entered into that certain Unit Transfer Agreement (the "Salgado Agreement"), which he transferred the entirety of her interests in the Catalyst – Hawthorne LLC to the Company in exchange for 50 Common Units.

2. **Transfer of Units to Hazel Martinez:**

WHEREAS, on September 24, 2024, Hazel Martinez entered into that certain Unit Transfer Agreement (the "Martinez Agreement), which she transferred the entirety of her interests in the Catalyst – Hawthorne LLC to the Company in exchange for 50 Common Units.

3. **Schedule of Members Update:**

RESOLVED pursuant to the Operating Agreement, Schedule I of the Operating Agreement shall be amended by the Manager from time to time to reflect the admission or withdrawal of Members or the sale, grant, issuance or redemption of Units, and any such amendment shall be effective as of the date of the event necessitating such amendment.

NOW, THEREFORE, BE IT RESOLVED, that Schedule I is hereby amended and restated in its entirety as set forth on Schedule I attached hereto.

4. **Omnibus Resolution**

RESOLVED: That each of the officers is authorized and empowered to take all such actions (including, without limitation, soliciting appropriate consents or waivers from stockholders) and to execute and deliver all such documents as may be necessary or advisable to carry out the intent and accomplish the purposes of the foregoing resolutions and to effect any transactions contemplated thereby and the performance of any such

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actions and the execution and delivery of any such documents shall be conclusive evidence of the approval of the Manager thereof and all matters relating thereto.

[Signature page follows]

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IN WITNESS WHEREOF, the undersigned, being the sole Manager, has executed this Action by Unanimous Written Consent to be effective as of the date first above written. The undersigned's PDF or other electronically scanned or electronic signature to this Action by Unanimous Written Consent, including, without limitation, any such signature delivered via electronic mail, shall be deemed an original for the purpose of evidencing execution hereof thereby. This written consent shall be included in the limited liability company records of the Company.

MANAGER:

DocuSigned by:

Elliot Lewis

55F129FC5F22458...

Elliot Lewis

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SCHEDULE I
SCHEDULE OF MEMBERS
(as of October 14, 2024)

MANAGER: Elliot Lewis
401 Pine Ave., Long Beach, CA 90802
Email: elliot.lewis.ceo@southcordholdings.com

MEMBERS:

Member's Name	Member's Common Units	Member's Percentage Interests
Elliot Lewis	78,405	44.24%
Damian Martin	28,590	16.13%
Arshad Assofi	16,954	9.57%
Tim Lewis	8,142	4.59%
Alfred John Luessenhop Jr.	5,502	3.10%
Paul and Sue Ellen O'Connor Family Trust, u/d/t September 15, 2000	5,238	2.96%
Farhad Theweny	5,129	2.89%
Brett Lewis	3,369	1.90%
Driss Ouazzani	2,200	1.24%
Violeta Aguilar-Wyrick	1,715	0.97%
Miles Evans	1,515	0.85%
William O'Connor	1,214	0.69%
Shylo Investments, LLC	975	0.55%
Natasha Nguyen	965	0.54%
Blake Hogan	965	0.54%
Garrett Schwab	957	0.54%
Alyssa Canann	929	0.52%
Jeff R. Frederickson	916	0.52%
Cheri L. Parks	916	0.52%
Lawrence Lewis	855	0.48%
Raphael Hill	726	0.41%
Craig Lewis	718	0.41%
Ryan Rayburn	576	0.33%
Steve Blasingham	571	0.32%
Caleb Counts	500	0.28%
Gregory Smith	429	0.24%
Nebrina Holdings LLC	417	0.24%
Mark Hanna	400	0.23%
2014 Susan Nasser Young Revocable Trust Dated July 10, 2014	384	0.22%
Kerissa Torres	357	0.20%
Jordan Freede	357	0.20%

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Breanna Mares	357	0.20%
Kimberly Roth	357	0.20%
Elizabeth Consunji	357	0.20%
Ryan Ramelow	342	0.19%
Stephanie Vandeveer	342	0.19%
Thanh Vinh Hoa	342	0.19%
Nicole Wright	310	0.17%
Manuel Migueles	261	0.15%
Frank Zimmerman	257	0.15%
Margaret Gordon	228	0.13%
Nathan Avila	214	0.12%
Shawn Thordson	202	0.11%
Linda Azhdam	200	0.11%
Bob Peterson	171	0.10%
Todd Lewis	171	0.10%
Bruce Harkness	171	0.10%
Christy Foasberg	171	0.10%
Janine Hook	171	0.10%
Jose David Amaya Alvarado	171	0.10%
Hortensia Nila Zaporta Separate Property Trust, dated November 29, 2022	171	0.10%
David Ramo	150	0.08%
Rosemary Evans	139	0.08%
Casey Crow	134	0.08%
Miguel Alvarado	114	0.06%
Natasha Reneau Jones	100	0.06%
Nakia Reneau Holland	100	0.06%
Pamela Epstein	87	0.05%
Marco Soto	86	0.05%
Samantha Tabak	77	0.04%
Nicholas Goldberg	77	0.04%
Stefanie Gernert	72	0.04%
Anthony Hoke	57	0.03%
Amanda Pagel	51	0.03%
Amber Tovar	50	0.03%
Roger Salgado	50	0.03%
Hazel Martinez	28	0.02%
Anna Lewis	0	0.00%
Ryan Elmore	0	0.00%
Ayesha Wilson	0	0.00%
Firas Ayyad	0	0.00%
EEL Holdings, LLC	0	0.00%
North Cord Management, LLC	0	0.00%
Ryan Cameron Rayburn Collective	0	0.00%
Bill Williamson	0	0.00%

Clint Wilson	0	0.00%
Adel Hijazi	0	0.00%
Hortensia Zaporta	0	0.00%
Berkeley Land Pros, LLC	0	0.00%
Crescendo Holdings, LLC	0	0.00%
Joshua Pierce	0	0.00%
Anthony Almaz	0	0.00%
Totals:	**177,224**	**100.00%**

CITY OF SANTEE

10601 Magnolia Avenue
Santee, California 92071-1266

№ 37640

Received From: South Card Management LLC	Issued by: RL
Location:	Date: 9-12-24

Project #	Description	Amount
ZVL2024-0009	CAN. Zoning Verification Letter	$267
	8625 Cuyamaca St.	
	TOTAL DUE	267
	THIS RECEIPT IS NOT A LICENSE OR A PERMIT	

Cash _____ Verified by: _____

Check 29416349327 Finance Receipt #: FC.

Distribution: White – Customer Yellow – Finance Pink – Department Goldenrod – Dept.

ZONING VERIFICATION LETTER REQUEST FORM
(CANNABIS BUSINESS PERMIT)

Santee CALIFORNIA

online Submittal
RECEIVED
SEP 12 2024
BY: Rachael L.

Date: 9/12/2024

Business Name: Catalyst - Santee

Name of Applicant: Catalyst - Santee LLC

Proposed Location:

Address: 8625 Cuyamaca Street, Santee, CA 92071

Accessor Parcel Number (APN): 384-161-24-00

Evidence of Legal Parcel : A deed recorded prior to March 4, 1972
(Attach As Separate Document)

Proposed Land Use: ☒ Retail

☐ Microbusiness with Retail

Zoning Verification Request:

Catalyst - Santee LLC, d.b.a. Catalyst - Santee, respectfully requests from the City of Santee's Planning & Building Department a Zoning Verification Letter to propose a retail only cannabis business at 8625 Cuyamaca Street, Santee, CA 92071 (APN: 384-161-24-00). A Grant Deed or other bonafide conveyance document recorded prior to March 4, 1972, is attached to this request as evidence of legal parcel documentation in compliance with the City of Santee's Determination of Legal Parcel handout.

Please provide any responses or follow up inquiries to this request to Damian A. Martin, Esq., M.B.A., Owner & Attorney for Catalyst - Santee LLC at damian.martin.esq@gmail.com or (757) 652-0460.

Note: The issuance of a ZVL does not constitute written evidence of permission given by the City or any of its officials to operate a cannabis business, nor does it establish a "permit" within the meaning of the Permit Streamlining Act, nor does it create an entitlement under the Zoning or Building Code. Commercial Cannabis Retail Businesses (CCBs) are required to comply with all applicable development standards outlined in Santee Municipal Code. A regulatory permit for a CCB does not constitute a permit that runs with the land once a cannabis business is established.

WHEN RECORDED, PLEASE MAIL TO:

Mrs. Diane Northrup
Mr. & Mrs. Douglas Kellogg

8625 Cuyamaca

Santee, California

Order No. K78363 ck Escrow No. 1283

FILE/PAGE NO. 206288
RECORDED REQUEST OF
LOUISVILLE TITLE COMPANY
NOV 25 9:00 AM '68
SERIES 9 BOOK 1968
OFFICIAL RECORDS
SAN DIEGO COUNTY CALIF.
A. S. GRAY, COUNTY RECORDER

RECORDER'S USE ONLY

GRANT DEED

INTERNAL REVENUE STAMPS

TRANSFER TAX PAID
A. S. GRAY, COUNTY RECORDER

Affix I. R. S. $11.55

ARON C. HARRIS and LILLIE R. HARRIS, husband and wife

FOR A VALUABLE CONSIDERATION, DO HEREBY GRANT TO

DIANE NORTHRUP, an unmarried woman as to an undivided 1/2 interest and DOUGLAS KELLOGG and ROSITA KELLOGG, husband and wife, joint tenants an undivided 1/2 interest

the real property in the UNINCORPORATED AREA, County of San Diego, State of California, described as:

The Southerly 60.00 feet of the Northerly 120.00 feet of all that portion of Lot 28 of STEVEN & HARTLEY'S FREE WATER TRACT, in the County of San Diego, State of California, according to the Map thereof No. 1231, filed in the Office of the County Recorder of San Diego County on January 31, 1910, described as follows:

Beginning at the Southwesterly corner of said Lot 28; thence North 0°04' West 130.00 feet along the Westerly line of said Lot 28 to the true point of beginning; thence South 88°33'10" East 130.00 feet; thence North 0°04' West parallel with said Westerly line 30.00 feet to a point that bears North 0°04' West 160.00 feet from the Southerly line of said Lot; thence South 88°33'10" East parallel with said Southerly line of said Lot 94.00 feet; thence North 0°04' West parallel with the Westerly line of said Lot, 155.00 feet to the Northerly line of the South one-half of said Lot; thence Westerly along said Northerly line 224.00 feet to the Northwesterly corner of the South one-half of said Lot; thence along the Westerly line of said Lot South 0°04' East 185.00 feet, more or less, to the true point of beginning.

EXCEPTING THEREFROM the West 10.00 feet thereof.

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO } ss.

Dated: October 21, 1968

On October 25, 1968
before me, the undersigned, a Notary Public, in and for said County and State, personally appeared
Aron C. Harris
Lillie R. Harris
known to me to be the person.s whose name.s are subscribed to the within instrument and acknowledged

that they executed the same.
WITNESS my hand and official seal.

Mildred M. McKerney
MILDRED M. McKERNEY
(Seal) My Commission Expires August 14, 1971
Notary Public in and for said County and State

Aron C. Harris
Aron C. Harris

Lillie R. Harris
Lillie R. Harris

OFFICIAL SEAL
MILDRED M. McKERNEY
NOTARY PUBLIC - CALIFORNIA
PRINCIPAL OFFICE IN
SAN DIEGO COUNTY

Mail Tax Statements to: Mrs. Diane Northrup and Mr. & Mrs. Douglas Kellogg, 8625 Cuyamaca, Santee, Cal.
Name Address Zip

FP 839

LOUISVILLE TITLE COMPANY of SAN DIEGO 384-160-64

No. 206288

UNITED STATES POSTAL SERVICE

CUSTOMER'S RECEIPT

SEE BACK OF THIS RECEIPT FOR IMPORTANT CLAIM INFORMATION

NOT NEGOTIABLE

Pay to City of Santee

Address

KEEP THIS RECEIPT FOR YOUR RECORDS

Serial Number	Year, Month, Day	Post Office	Amount	Clerk
29416349327	2024-09-12	908000	$267.00	23

UNITED STATES POSTAL SERVICE

POSTAL MONEY ORDER

Serial Number	Year, Month, Day	Post Office	U.S. Dollars and Cents
29416349327	2024-09-12	908000	$267.00

Amount: Two Hundred Sixty Seven Dollars and 00/100 ******

Pay to City of Santee

Clerk 23

Address

From

Address

Memo

SEE REVERSE WARNING • NEGOTIABLE ONLY IN THE U.S. AND POSSESSIONS

⑆00000800 2⑆ 29416349327⑈