



FLYTE

SANTÉE, CALIFORNIA



1. CANNABIS RETAIL PERMIT APPLICATION



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: 9805 Prospect LLC DBA: Flyte

Physical Address: 9805 Prospect Ave ; 8547 Cuyamaca St Santee CA 92071
Street City State Zip

Primary Contact: Ramiz Naoum Title: Owner and Chief Executive Officer (CEO)

Mailing Address: 10109 Challenger Ct Spring Valley CA 91978
Street City State Zip

Phone Number: [REDACTED] Email: [REDACTED]

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: Chris Salem and Martin Salem

Proposed Location Address: 9805 Prospect Ave ; 8547 Cuyamaca St Santee CA 92071
Street City State Zip

Property Owner Phone Number: (619) 244-7595 Email: chris@salementerprises.com

Zoning Clearance Letter : ☒ Yes ☐ No

Assessor's Parcel Number (APN): 384-190-74 ; 384-190-44

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:

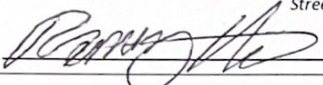
- ✓ A complete and signed Commercial Cannabis Business Permit Application form and Evaluation Criteria. The evaluation criteria response is limited to 125 pages.
- ✓ A signed Financial Responsibility, Indemnity and Consent to Inspection Agreement form.
- ✓ A signed Agreement to Limitations of City Liability 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 %	30%	Background information is included as required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Owner Name:	Ramiz Naoum	Title:	Owner and Chief Executive Officer	
Address:	10109 Challenger Ct	Spring Valley	CA	91978
	Street	City	State	Zip
Signature:			Date:	10/21/2024
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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Owner Name:		Title:		
Address:				
	Street	City	State	Zip
Signature:			Date:	

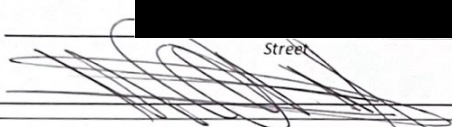
Add more pages as necessary to accommodate all Commercial Cannabis Business Owners

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Ownership %	30%	Background information is included as required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Owner Name:	Mazin Stephan	Title: Owner and Chief Operating Officer	
Address:	<div>_____</div> <div>_____ Street _____ City _____ State _____ Zip _____</div>		
Signature:			Date: 10.21.24
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? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Owner Name:	_____	Title: _____	
Address:	<div>_____</div> <div>_____ Street _____ City _____ State _____ Zip _____</div>		
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? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Owner Name:	_____	Title: _____	
Address:	<div>_____</div> <div>_____ Street _____ City _____ State _____ Zip _____</div>		
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? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Owner Name:	_____	Title: _____	
Address:	<div>_____</div> <div>_____ Street _____ City _____ State _____ Zip _____</div>		
Signature:	_____		Date: _____


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


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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 %	20%	Background information is included as required?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Owner Name:	Chris Salem	Title:	Owner and Chief Strategy Officer		
Address:	8617 Cuyamaca St Suite 2	Santee	CA	92071	
	<i>Street</i>	<i>City</i>	<i>State</i>	<i>Zip</i>	
Signature:			Date:	10/21/2024	

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 %	20%	Background Information is included as required?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Owner Name:	Martin Salem	Title:	Owner and Community Relations Officer		
Address:	8617 Cuyamaca St Suite 2	Santee	CA	92071	
	<i>Street</i>	<i>City</i>	<i>State</i>	<i>Zip</i>	
Signature:			Date:	10/21/24	

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Owner Name:		Title:			
Address:		<i>City</i>	<i>State</i>	<i>Zip</i>	
	<i>Street</i>				
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?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Owner Name:		Title:			
Address:		<i>City</i>	<i>State</i>	<i>Zip</i>	
	<i>Street</i>				
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:

N/A

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:

N/A

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

N/A

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.

RAMIZ NAQUM

Name

OWNER / CEO

Title

Signature

Date

10/17/2024

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.



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SECTION A: BUSINESS PLAN

A.1. FINANCES

Flyte has developed a Financial Plan as part of its overall Business Plan, which includes a startup budget and projections that are conservatively drafted from a financial resources perspective for the proposed Santee storefront and delivery service. These projections are based on financial data we have accrued at Flyte's other licensed businesses. The budget has been constructed to anticipate all capital expenditures and ensure we have sufficient liquid assets to cover per-operational costs and 3-month operating expenses. Flyte has secured start-up capital costs and capital reserves for three months of operating expenses and a 20% contingency to total just under \$2.4M (the "Startup Budget"). Approximately \$721K of the Startup Budget is reserved for site renovation and construction. Another large portion of the budget goes toward staff compensation and benefits, which includes generous compensation packages during training and benefits available upon hire. The remainder of the Budget is allocated to marketing, professional fees, and pre-launch community engagement efforts that allow Flyte to establish itself as a valued member of the Santee community. The following provides a more nuanced explanation of the various budgeted expenses of Flyte's Startup Budget for our Santee project.

Construction: Flyte has allocated an ample portion of its Startup Budget to Interior and Exterior Renovations. Interior renovations and improvements for the facility interior allocate approximately \$197/ft² (2,405ft² total), over one hundred and fifty percent (150%) double the cost per square foot (\$130/sq ft) Flyte's owners have expended on other retail locations, including Vista, CA and Dayton, OH. Further, we are proud to commit \$246.5K to exterior renovations, which include façade rehabilitation for our entire building, mural installation, exterior lighting, and landscaping installations and improvements. We view our commitment to renovating our site as a good-faith effort towards cohesion with Santee's commercial design guidelines, aesthetic enhancement of the neighborhood, and community immersion.

Operations: Flyte's Startup Budget allocates approximately \$581K of non-compensation-based operating costs to cover at least three months of operations. Non-compensation operating costs are projected to be around \$194K per month, including rent (\$30K/month) and a \$15K budget for utilities that cover pre-operational and our first three months of utility fees. Startup costs for operations also include \$25K for initial community engagement expenditures built into our Miscellaneous Operating costs, which allows us to deliver on our community benefit initiatives during startup and before Flyte reaches profitability.

Maintenance: While we expect to have a small maintenance cost during the first months of operations, our overall facility budget allocates \$30K for maintenance-related expenses in Year 1, which increases to \$88.4K in Year 2.

Employee Compensation: The Budget includes three months of staff compensation and extends to compensation for training. Flyte provides generous Compensation and Benefits packages, which include starting wages at \$21.50/hr. Overall, staff compensation during Startup amounts to nearly \$330K in compensation and benefit expenses. We proudly provide generous wage and benefit packages to local employees from Santee and surrounding areas.

Equipment Costs: Startup costs for equipment include furniture, fixtures, security equipment, electronic devices for POS, inventory control, and handheld customer scanners. Overall, we anticipate around \$127K for equipment costs, based on equipment costs of \$100K for our Vista facility, differences in facility size, and adjusting for inflation. Some equipment, such as the vault and odor control system (HVAC + Filters), is included in construction budgeting.

Property Lease: Flyte has secured a tentative location with a Lease rate of \$30,000/month including triple Net expenses. The Lease Deposit includes licensing (\$30K total) and a construction holding rate of \$7K/month (10 months) until we are issued a Certificate of Occupancy. Accounting for ten (10) months before operations begin and the first three months of operations, our total Lease expenses amount to \$190,000.

Security Equipment and Staff: Security Equipment accounts for \$55K of our total budget, including cameras, monitors, motion sensors, and access cards. Security staff costs approximately \$81K, incorporated into our wage calculations in Operating Expenses.



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City and State Fees: The Start-Up budget allocates \$126,237 to licensing and permit fees, including City and State licensing and local building permit fees. We have consulted the fees posted on the Santee Planning and Building Department's website and have spoken with local contractors to get informed bids and quotes from local tradespeople.

Utility Costs: Utility costs allocate \$15K to Utilities, which includes \$1,000/month to account for construction and our first three months of operations.

Product Purchases: Our Startup Budget includes \$300K for our initial inventory purchase. Vendor relationships from our Vista location, which does some of the highest volume in sales in the state will allow Flyte to get much of our initial inventory on terms that enable us to allocate more funds to facility renovations and community benefits efforts.

Miscellaneous Costs: Additional Startup costs include a \$45K budget for marketing and advertising that allows us to host promotional events in addition to traditional advertising methods, such as Weedmaps and Leafly. We have also set aside \$60K in consulting fees to account for our staff recruitment program, which allows us to attract a diverse pool of local employees. Recruitment includes training and educational seminars that provide prospective employees with valuable insight into Flyte's operations and educate them on the science of cannabis wellness and the importance of community integration. We have included \$72.5K in professional expenses for architects, designers, and marketing consultants to help express our brand identity in a way that complements the unique culture of Santee.

Flyte is confident our Startup Budget accurately reflects the expected costs to develop the Santee facility. We have constructed a generous budget for facility upgrades and community benefit initiatives that will enable us to immediately impact the surrounding neighborhood in Santee and the greater San Diego County.

EMPLOYEE COMPENSATION FIGURES

COMPENSATION – NON-SALARIED MONTHLY WAGES

Day of Week	Shift (6hr)	Cannabis Consultant	Dispatcher	Delivery Driver	Security Guard*
Monday	A	2	1	1	1
	B	3	1	1	2
Tuesday	A	2	1	1	1
	B	3	1	1	2
Wednesday	A	3	1	1	1
	B	4	1	1	2
Thursday	A	3	1	1	1
	B	4	1	1	2
Friday	A	3	1	1	1
	B	5	1	1	2
Saturday	A	3	1	1	1
	B	5	1	1	2
Sunday	A	3	1	1	1
	B	5	1	1	2
Weekly Shift Total		48	14	14	21
Monthly Shift Total		192	56	56	84
Hourly Wage		\$21.50	\$21.50	\$21.50	\$25.00
Labor Wage / Month		\$24,768	\$7,224	\$7,224	\$12,600

*Security Guards are Independent Contractors and not incorporated into benefits calculations.

COMPENSATION – MANAGEMENT STAFF

MGMT EMPLOYEE(S)	ANNUAL	MONTHLY PAYROLL
CEO*	\$95,000	\$7,916.67
COO*	\$95,000	\$7,916.67
CSO*	\$65,000	\$5,416.67
CRO*	\$65,000	\$5,416.67
General Manager	\$70,000	\$5,833.33
Compliance Officer	\$61,401.6	\$5,116.8
Team Lead	\$61,401.6	\$5,116.8
Inventory Manager	\$61,401.6	\$5,116.8
TOTAL MGMT SALARY	\$574,205	\$47,850.41

TOTAL COMPENSATION – WAGES + BENEFITS

ITEM	COST
Management Salary	\$574,205
Total Hourly Wages	\$470,592
Social Security Taxes	\$64,755.65
Medicare Tax	\$15,144.72
Health Insurance	\$73,112.11
Time off Allowance	\$12,708.69
Other Misc. Fringes	\$104,444.83
Total Compensation Expenses	\$1,314,963



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FLYTE SANTEE START UP BUDGET

	Total Cost	Itemization	Classification		
			Tenant Improvement	Start Up Costs & Fees	Working Capital
PREMISES (LEASE)	\$190,000				
LEASE DEPOSIT + HOLDING COSTS		\$100,000		\$100,000	
3-MONTH'S LEASE		\$90,000			\$90,000
BUILDING IMPROVEMENTS	\$347,500				
MECHANICAL/ELECTRICAL		\$50,000	\$50,000		
HVAC – ODOR CONTROL		\$40,000	\$40,000		
VAULT ROOM & PRODUCT STORAGE		\$25,000	\$25,000		
FLOORING		\$15,000	\$15,000		
DOORS/WINDOWS (INTERIOR)		\$17,500	\$17,500		
FIXTURES/MILLWORK		\$120,000	\$120,000		
LIGHTING		\$15,000	\$15,000		
PLUMBING / ADA RESTROOM		\$20,000	\$20,000		
DRYWALL / FINISHING WORK		\$45,000	\$45,000		
EQUIPMENT (INTERIOR)	\$127,448				
ART & DECOR		\$30,000		\$30,000	
POINT OF SALE		\$7,500		\$7,500	
PHONES		\$1,948		\$1,948	
HARDWARE / COMPUTERS		\$8,000		\$8,000	
SECURITY HARDWARE		\$55,000		\$55,000	
INTERIOR FURNITURE (MISC)		\$25,000		\$25,000	
IMPROVEMENTS (EXTERIOR)	\$246,500				
SIGNAGE		\$12,000		\$12,000	
SIDING + PAINT		\$175,000	\$175,000		
BOLLARDS / ADA		\$20,000	\$20,000		
MURAL		\$12,000	\$12,000		
LANDSCAPING		\$27,500	\$27,500		
LEGAL & PROFESSIONAL	\$137,500				
ARCHITECT / INTERIOR DESIGNER		\$65,000		\$65,000	
CONSULTING		\$60,000		\$60,000	
ACCOUNTANT		\$5,000		\$5,000	
BRANDING / DESIGN		\$7,500		\$7,500	
FEES & LICENSING	\$126,237				
CITY SUBMISSION FEE		\$25,711		\$25,711	
BACKGROUND FEES + LIVE SCAN		\$248		\$248	
ZONING VERIFICATION		\$267		\$267	
BUILDING PERMITS		\$25,000		\$25,000	
STATE LICENSE		\$36,000		\$36,000	
OTHER LICENSES (MISC.)		\$21,011		\$21,011	
BANKING		\$15,000		\$15,000	
PRINTING		\$3,000		\$3,000	
OPERATING EXPENSES (3 MTHS)	\$819,741				
PAYROLL					
Management Salary		\$143,551			\$143,551
Hourly Wages		\$117,648			\$117,648
Taxes, Insurance & Benefits		\$67,542			\$67,542
INVENTORY		\$300,000			\$300,000
MARKETING		\$45,000			\$45,000
UTILITIES		\$15,000			\$15,000
SECURITY		\$81,000			\$81,000
MISC. OPERATING COSTS		\$50,000			\$50,000
TOTAL COST(S)	\$1,994,926		\$582,000	\$503,185	\$909,741
BUDGET (TOTAL COSTS + 20% CONTINGENCY)		\$2,393,911			



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A.1.A. PROOF OF CAPITALIZATION

The startup funding analysis includes a 20% contingency budget, which suggests Flyte needs \$2,393,911 for the proposed business in Santee. This consists of a financing summary for capital expenditures and required operating capital for the first three (3) months of operations. Flyte is procuring this capital through Owners Chris and Martin Salem. Chris and Martin Salem

own and operate gas stations, car washes, convenience stores and other facilities all over San Diego County and have established various accounts where revenue and other funds from these businesses are held. They also have personal accounts that contain funds being allocated to this project. The Salem Brothers' account statements currently combine to show over [REDACTED] in liquid assets, which accounts for the startup budget with more than a 20% contingency for Flyte's overall Santee Startup Budget. In the event that more capital are required throughout the post-licensing process, Owners Ramiz Naoum and Mazin Stephan are able to provide additional capital to ensure all expenses are accounted for. The funds are organized in the above chart, and **7. PROOF OF CAPITALIZATION** provides verifying documentation of Flyte's ability to cover the required \$2,393,911 for startup costs.

PROOF OF CAPITALIZATION (START-UP)

A.1.B. PRO FORMA

The projections outlined below provide a valid pro forma financial statement for three years of operation, which includes operation, maintenance, compensation of employees, utility costs and other operation costs that are based on the operating experience of Flyte's Owners' 3 other operational stores in Vista, CA, San Francisco, CA and Dayton, OH.

The following Pro-forma consists of conservative revenue projections derived from local demographics and operational experience at our other CA licensed facility. We have used averaged sales data from our Vista location as we feel the retail storefront-to-population ratio provides comparable averages for the number of licenses Santee is granting per capita and the overall population of Santee and surrounding San Diego County communities. We have based projections on 50% fewer daily transactions than Vista (1,000) because Santee has a population smaller than Vista and the San Diego County cities have access to Dispensaries in licensed jurisdiction. Our projected average transaction price for the Santee location is about \$7 less than the average transaction price we are currently evidencing at our Vista locations, which is based on conservative forecasting despite a ~14% increase in Median Household income in Santee as compared to Vista as well as the fact that we typically expect higher costs per transaction sales at new locations.

Flyte's projections and assumptions consider the retailer location and overall population demographics within Santee, which include roughly 59.4% of individuals aged 20-65 and a median household income of \$101,777. Our conservative average ticket price accounts for Flyte's commitment to providing affordable product options to its consumer base while still offering the most sought-after brands and products in the industry. Increases in price per transaction and transactions per day account for increased revenue projections in Years 2 and 3 (7%).

Current sales trends at our Owners' facility in Vista show average transaction prices of close to \$77/transaction with over 1,000 daily sales transactions. We are confident that our Santee projections are relatively conservative and that our revenue potential could exceed our projections and approach our Owners' Vista location's numbers, which exceed \$20M in annual revenue. We hope to attain these higher revenue numbers as they would significantly increase funding for our community benefits initiatives, which are partly based on a percentage of gross revenue. However, our business experience has taught us the importance of modeling a business on conservative estimates to ensure it can be profitable and sustain itself if the market declines or becomes saturated.

FLYTE REVENUE PROJECTIONS

	DAILY	MONTHLY	YEARLY
Transactions	500	15,000	180,000
Price/Transaction	\$70	\$70	\$70
Gross Revenue	\$35,000	\$1,050,000	\$12,600,000
Revenue-COGS	\$17,500	\$525,000	\$6,300,000



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Retailer Revenue Summary and Pro Forma: The following charts provide an overview of Flyte's expected monthly and annual Gross Margin for its retailer revenue sources. While these revenues may vary over time depending on market forces, we are confident the below projections reflect a conservative estimate of the company's overall Gross Margin. As used below, the gross margin is the overall revenue decreased by the Costs of Goods Sold (COGs). Additional assumptions in our pro forma include 5% annual wage increases, 1.0% of Gross Revenue allocated to community benefits initiatives, and 6% dedicated to the city through its local Tax, and variation in the cost of goods sold that approximately correlates to a 3% increase reflective of modeled inflation. Our rent is based on our \$30,000/month rate in Santee inclusive of triple net fees. Our current model provides for 100% internal funding based on the financial contributions of Owners Ramiz Naoum, Mazin Stephan, Chis Salem and Martin Salem.

The following pages provide a detailed overview of Flyte's 3-year financial projections, including a three-year cash flow statement, a profit and loss statement, and a balance sheet. These financial summaries, coupled with the above revenue projections and the startup fund analysis provided in Section A.1, combine to show the overall financial feasibility of Flyte's retail operations and business model.

ESTIMATED RETAIL SALES PERCENTAGE

PRODUCT TYPE	SALES %	SALES/MTH	SALES/YR
EDIBLES	15.6%	\$163,800.00	\$1,965,600
FLOWER	24.8%	\$260,400.00	\$3,124,800
PRE-ROLLS	20.5%	\$215,250.00	\$2,583,000
CARTRIDGE	16.9%	\$177,450.00	\$2,129,400
BEVERAGE	3.2%	\$33,600.00	\$403,200
EXTRACT	8.4%	\$88,200.00	\$1,058,400
TOPICAL/TINCTURE	2.2%	\$23,100.00	\$277,200
MERCHANDISE	2.1%	\$22,050.00	\$264,600
CAPSULE/TABLET	6.3%	\$66,150.00	\$793,800
TOTALS		\$1,050,000	\$12,600,000

FLYTE – CASH FLOW YEARS 1-3

Cash Flow Assumptions	YEAR 1	YEAR 2	YEAR 3
Maintenance Capex (%Sales)		0.50%	0.50%
Cash Flow Statement			
Net Income	\$1,787,901	\$1,933,097	\$2,127,661
Depreciation & Impairment	--	--	--
Amortization	--	--	--
Changes in Working Capital	(\$1,260,000)	(\$1,348,200)	(\$1,442,574)
Cash Provided by Operating Activities	\$527,901	\$584,897	\$685,087
Capex for Dispensary	(\$1,666,185)	--	--
Capex for Maintenance	--	(\$67,410)	(\$72,129)
Acquisitions	--	--	--
Cash Used in Investing Activities	(\$1,666,185)	(\$67,410)	(\$72,129)
Increase (Decrease) Long-Term Debt			
Sale (Repurchase) of Common Shares	\$1,994,926	--	--
Discretionary Cash Distributions	--	(\$773,239)	(\$851,064)
Cash Provided/Used by Financing Activities	\$1,994,926	(\$773,239)	(\$851,064)
Increase/Decrease in Cash & Equivalents	\$856,642	(\$255,752)	(\$238,106)
Beginning Balance Cash & Equivalents	\$0	\$856,642	\$600,890
ENDING BALANCE CASH/ EQUIVALENTS	\$856,642	\$600,890	\$362,784



FLYTE PROFIT & LOSS STATEMENT

	YEAR 1	YEAR 2	YEAR 3
TOTAL REVENUE	\$12,600,000	\$13,482,000.00	\$14,425,740.00
COGS	\$6,300,000	\$6,741,000.00	\$7,212,870.00
GROSS PROFIT	\$6,300,000	\$6,741,000.00	\$7,212,870.00
OPERATING EXPENSES			
Payroll (Hourly Wages)	\$470,592	\$494,121.60	\$518,827.68
Payroll (Management Salary)	\$574,205	\$602,915.25	\$633,061.01
Social Security Taxes	\$64,755	\$67,992.75	\$71,392.39
Medicare Tax	\$15,145	\$15,902.25	\$16,697.36
Health Insurance	\$73,112	\$76,767.60	\$80,605.98
Time Off Allowance	\$12,709	\$13,344.45	\$14,011.67
Misc. Benefits	\$104,445	\$109,667.25	\$115,150.61
Rent	\$360,000	\$378,000.00	396900
Office/Clerical/Postage	\$4,800	\$5,000	\$5,200
Product Disposal	\$8,000	\$10,000	\$12,000
Bank Fees + Cash Transport	\$32,835.60	\$35,134.09	\$37,593.48
Legal/Compliance/Accounting	\$30,000	\$30,000	\$30,000
Security	\$324,000	\$336,960.00	\$350,438.40
Utilities: Electricity	\$8,400	\$8,568.00	\$8,739.36
Utilities: Sewer + Waste + Water	\$3,600	\$5,370	\$5,746
HVAC Filters	\$6,000	\$6,000	\$6,000
Phone + Internet Service	\$7,500	\$6,500	\$6,500
Computer/POS Software	\$12,000	\$12,000	\$12,000
Facility Maintenance	\$30,000	\$67,410	\$72,129
General Liability Insurance	\$24,000	\$24,000	\$24,000
Car Maintenance + Insurance + Gas	\$24,000	\$25,600	\$26,112.00
QuickBooks Accounting Software	\$6,000	\$6,300	\$6,600
Website & Hosting	\$15,000	\$15,000	\$15,000
Community Benefits	\$126,000	\$134,820.00	\$144,257.40
TOTAL OPERATING EXPENSES	\$2,337,099	\$2,487,373.24	\$2,608,961.95
OPERATING INCOME	\$3,962,901	\$4,253,627	\$4,603,908
TAXES & FEES			
Direct City Fee (6%)*	\$756,000.00	\$808,920.00	\$865,544.40
State License Fees	\$96,000	\$96,000	\$96,000
Federal Tax	\$1,323,000.00	\$1,415,610.00	\$1,514,702.70
TOTAL TAXES AND FEES	\$2,175,000.00	\$2,320,530.00	\$2,476,247.10
TOTAL EXPENSES	\$4,512,098.60	\$4,807,903.24	\$5,085,209.05
	\$1,787,901	\$1,933,097	\$2,127,661

*6% based on commitment to 6% in SECTION F: COMMUNITY BENEFITS AND INVESTMENTS



FLYTE – BALANCE SHEET YEARS 1-3

Balance Sheet	YEAR 1	YEAR 2	YEAR 3
Current Assets			
Cash & Equivalents	\$856,642	\$600,890	\$362,784
Receivables	\$1,386,000	\$1,483,020	\$1,586,831
Inventory	\$1,764,000	\$1,887,480	\$2,019,604
Total Current Assets	\$4,006,642	\$3,971,390	\$3,969,219
Property & Equipment, Net	\$1,666,185	\$1,733,595	\$1,805,724
Intangibles & Other, Net	--	--	--
Total Assets	\$5,672,827	\$5,704,985	\$5,774,943
Current Liabilities			
Accounts Payable	\$865,895	\$921,572	\$966,620
Accruals	--	--	--
Total Current Liabilities	\$865,895	\$921,572	\$966,620
Long-Term Debt			
Total Liabilities	\$865,895	\$921,572	\$966,620
Investors' Equity			
Common Shares	\$1,994,926	\$1,994,926	\$1,994,926
Retained Earnings	\$1,787,901	\$1,933,097	\$2,127,661
Total Shareholders' Equity	\$3,782,827	\$3,928,023	\$4,122,587
TOTAL LIABILITIES & EQUITY	\$4,806,932	\$4,783,414	\$4,808,323

A.1.C. SCHEDULE FOR BEGINNING OPERATIONS

Flyte owners are deeply familiar with large-scale commercial construction and facility outfitting, as evidenced by our Owners' track record in their business ventures. Chief Executive Officer (CEO) Ramiz Naoom and Chief Operating Officer (COO) Mazin Stephan have overseen successful launches of multiple cannabis businesses over the past five years in California and Ohio and have met stringent timelines to get these businesses open within 12-18 months of licensure. Chief Strategy Officer (CSO) Chris Salem and Community Relations Officer (CRO) Martin Salem have amassed an extensive portfolio of gas stations, carwashes and convenience stores all over San Diego County. The Salem Brothers took a blighted corner lot at 8617 Cuyamaca St in Santee and turned it into a state-of-the-art service center with multiple businesses on the property in just over 12 months.. Utilizing our experience and our vast network of to assist with the launch of its proposed cannabis retail facility at 9805 Prospect Ave. With the understanding that Santee is looking for best-in-class operators, Flyte is utilizing its unique business development experience and local contractors and designers to provide a realistic and conservative schedule for beginning operations that accounts for contingencies and other potential setbacks. The following table provides a detailed timeline for becoming operational:

10/24/24 **Commercial Cannabis Business Permit Application Submission:** Flyte submits the Commercial Cannabis Business Permit application to Santee's Community Development Department and pays applicable fees.

11/24/24 **Phase I Eligibility Clearance:** Flyte receives clearance from the City that the Commercial Cannabis Business Permit application is complete and is under Phase II review.



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12/31/24 **Phase II Criteria Evaluation and Scoring Results:** The City's consultant reviews Flyte's application using the City's merit-based system. Receipt of one of the highest scores results in her advancing to Phase III.

1/18 – 1/30/25 **Phase III Interview and Further Evaluation:** Flyte will meet with the Selection Committee as part of the City's merit-based scoring efforts. Our impeccable track record and management team result in a high enough aggregate score to merit consideration for recommendation to the City Council.

2/10/25 **Phase IV City Council Interviews and Final Decision:** The City Manager presents Flyte as one of the top ranking Applicants to the City Council. Flyte overwhelmingly impresses the City Council in its interview and is awarded one of the City's CCB Permits.

3/5/25 **Land Use & Building Permit Process to Begin:** Flyte makes an appointment with the Community Development Department – Building & Safety Office to submit a complete set of Tenant Improvement plans and other required documents to begin the permitting/entitlement process.

4/05/25 **Building Permit Approval:** Flyte receives Building Permit Approval and coordinates contractor and subs to begin site work, which includes Mechanical (HVAC + Odor Control), electrical (Lighting), plumbing (Restrooms + ADA Upgrade), landscaping, and general interior and exterior architectural upgrades.

4/06 – 6/15/25 **Construction Timeline: Interior Improvement Work:** The contractor begins the 45- to 60-day construction process for tenant improvements. Minor tenant improvements, such as casework, milling, display, and decorative features, such as live plants, are required.

4/06 – 7/1/25 **Construction Timeline: Exterior Improvement Work:** Contractor to begin landscaping, exterior painting to reflect Flyte branding as displayed in renderings, parking lot paving and re-striping, ADA accessibility upgrades as well as other exterior and customer access improvements to the site.

7/1/25 – 7/15/25 **HVAC/Odor Control Install:** A registered professional installs an air balance report and odor control system in accordance with approved MEPs.

5/21/25 – 7/15/25 **Employee Recruitment:** Conduct ongoing employee recruitment and interviews of employees during build-out so training can begin upon completion of facility improvements.

7/15/25 **Submit State License Application:** Submit applications to DCC for Type 10 Licenses.

7/15/245 **Mechanical, Plumbing, Fire, and Electrical Inspection:** Engage City inspectors to sign off on any electrical, mechanical, fire, or plumbing alterations.

7/15/25 – 8/15/25 **Security System Installation:** Flyte works with ArmorTech and Bay Alarm Company to ensure proper installation of Security cameras, biometric/RFID locks, safe, monitoring servers, alarm system, and other security measures included in the site security plan.

8/15/25 – 9/10/25 **Retail Floor Preparation:** Install millwork, product shelving, POS systems, stage educational materials, and prepare interior lighting.

8/15/25 – 9/10/25 **Overall Facility Preparation:** Set up fixtures and equipment in the Lobby, install vault and cash storage equipment, install lockers, procure and install equipment, and test ADA-compliant restrooms.



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8/15/25 – 9/10/25 **Employee Onboarding and Training:** Onboarding training modules with all employees, distribute Employee Handbook. Training includes emergency preparedness, security procedures, real-time customer simulations, inventory management, opening and closing procedures, delivery protocols, and stocking procedures.

8/15/25 – 9/10/25 **Delivery Vehicle Procurement & Insurance:** Delivery vehicles are transported to the Site for final inspections, outfitting, and preparation for delivery operations. All vehicles are reported to the insurance carrier and registered prior to the beginning of operations.

9/20/24 **Certificate of Occupancy Inspection:** Coordinate inspectors for final site inspection and approval of improvements; code compliance checks.

9/20/25 – 10/15/25 **Receive State Licensure:** Flyte receives a Type 10 License from the Department of Cannabis Control—outreach to vendors to schedule inventory delivery pending final City approval.

10/31/25 **Final Approval Received from Santee:** Final approval is granted from Santee to begin licensed-compliant commercial cannabis operations.

10/31/25 – 11/15/25 **First Deliveries of Cannabis Goods:** Receive orders of cannabis goods, fill storage rooms with inventory, and stage samples on the Retail Floor. Continue training on inventory and stocking in preparation for opening.

11/20/25 **Open House- City Staff and Neighbors (Soft Opening):** Flyte holds an Open House and Soft Opening for City staff and neighbors to discuss the start of operations and address any lingering operational concerns from City staff or neighbors.

12/1/25 **Commence Operations:** Begin retail sales and delivery of cannabis goods to customers as a fully licensed and compliant Retail Cannabis Business in Santee.

Proposed Construction and Improvements: The proposed property is owned by CSO Chris Salem and CRO Martin Salem and has been operating as a smoke shop. This gives Flyte a distinct advantage over competing applicants, ensuring minimal tenant improvements and an expedient operational timeline. Because it is not burdened by a lengthy construction timeline, Flyte can focus on improvements that ensure its facility meets the highest standards for design, neighborhood compatibility, and security, effectively uplifting the commercial area surrounding it and the larger community as a whole. Improvements will include façade rehabilitation and rebranding, parking lot improvements such as restriping or repaving, and landscaping improvements such as incorporating California native plants and trees to improve the site’s aesthetic appeal. Interior improvements include new casework, milling, epoxy floors, lighting, and other improvements to create a warm and inviting environment. Additional interior improvements include mechanical and electrical work for the odor control system, which includes heating, ventilation, and air-conditioning complemented by activated carbon filters installed on all intakes and exhausts for the facility. In general, we plan on being able to avoid substantial plumbing work at the facility, but ADA compliance may require minor plumbing work to ensure we have an accessible restroom onsite. In Santee, we anticipate some additional improvements to facilitate environmental consciousness. Environmental improvements include ensuring we have a closed envelope with updated insulation to maximize HVAC and odor mitigation efficiency and installing EnviroFilm on all exterior glass. We also install low-drip irrigation for exterior drought-tolerant landscaping and waterwise fixtures for all interior faucets, toilets and other water sources. All proposed improvements will be executed in alignment with the City’s General Plan and associated aesthetic guidelines promulgated in the local zoning code and other applicable sections of the SMC. As discussed above, our typical timeline for construction and improvements allocates approximately two(2) to three (3) months for planning and permitting processes with another four (4) to six (6) months to complete the minor tenant improvements contemplated by our retail operations.



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A.1.D. FINANCIAL INSTITUTION LETTER

Flyte's owners have an existing relationship with DAMA Financial, a financial service business that caters to the cannabis industry founded by banking and payment industry veterans to provide solutions and services for cash-intensive businesses. Our CEO and COO have been working with DAMA for the last 3+ years for their cannabis banking needs related to their facilities in Vista, CA and Dayton, OH. The following letter from DAMA Financial illustrates our relationship to this company, ensuring that Flyte currently has access to banking services through DAMA and will use DAMA for our cannabis banking needs in Santee.



10/16/24

BANKING LETTER OF INTENT

To Whom It May Concern:

LeafLink, Inc., providing services under the Dama brand ("Dama"), is excited to offer access to fully transparent banking services to legal cannabis entities by acting as an agent on behalf of partner banks and/or NCUA insured credit unions.

9805 Prospect LLC contacted Dama Financial inquiring about our services in response to the California cannabis licensing process.

We have worked with Owner Ramiz Naoum and provided him banking services for the following entities: NYRN Management & Bryant & Gilbert LLC and others

Based on our existing banking relationship with Mr. Naoum various other retail cannabis businesses, we are confident in our ability to offer access to compliant banking services for his proposed Santee location.

9805 Prospect LLC must submit an application, provide required documents, and successfully pass Dama Financial's enhanced due diligence process before an account will be established with one of our partner banks.

By providing the City of Santee this Letter of Intent, 9805 Prospect LLC authorizes Dama Financial to answer inquiries initiated by the State of California regarding the banking status (no application, application submitted, account established, account denied) of 9805 Prospect LLC. 9805 Prospect LLC please submit your questions to a Dama Financial Application Specialist at contact@leaflink.com or by calling 877-401-3262.

City of Santee Representative, please submit your inquiries to the Dama Financial Compliance Department at Compliance@leaflink.com

Respectfully-
The Dama Team

P.O. Box 5730
South San Francisco, CA 94080

877.401.3262
www.damafinancial.com



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A.2. DAILY OPERATIONS

Flyte is comprised of local business owners and community leaders in San Diego County who have amassed 10+ years of experience in commercial cannabis operations and 30+ years of experience in ancillary highly regulated industries such as real estate development, convenience store management, petroleum sales, alcohol and tobacco sales, and telecommunications. Flyte amalgamates the robust cannabis industry experience accrued by Chief Executive Officer (CEO) Ramiz Naoum and Chief Operating Officer (COO) Mazin Stephan with the extensive knowledge of commercial real estate development and retail management in Santee held by the Chief Strategy Officer (CSO) Chris Salem and Community Relations Officer (CRO) Martin Salem to form an ownership team that is poised to operate a highly successful cannabis business in Santee.

Chief Executive Officer (CEO) Ramiz Naoum and Chief Operating Officer (COO) Mazin Stephan have gained significant cannabis experience through their involvement and ownership in Off The Charts, a prominent cannabis business consortium and multi-state operator with 20+ businesses in California in New Mexico and Ohio, and an additional 10+ entitlements for businesses in various phases of development that will be open by the end of 2025. Ramiz and Mazin acquired ownership shares in Off The Charts' flagship location in Vista, CA, in 2019 and have helped husband-and-wife owner/operators Norman and Darline Yousif develop the business into one of California's highest-performing cannabis retailers. Today, Off The Charts' business in Vista accrues more than \$20 million in annual revenue, makes significant tax contributions to the City to bolster economic growth, and has grown its client base within San Diego County to process an average of 1,000 transactions per day, all while maintaining a family-owned approach to commercial cannabis operations. Off The Charts continued to build on their success in Vista, and from 2019 – 2023, they more than tripled their license portfolio in California and other states. Ramiz and Mazin were heavily involved in these expansion efforts, providing capital, business consulting, and expertise in Off The Charts' microbusiness in San Francisco and dispensary in Dayton, Ohio.

When the City of Santee announced that a commercial cannabis application process was being considered in mid-2023, brothers Chris and Martin Salem had already owned a property that they thought would be an excellent location for a commercial cannabis retailer off of Prospect Street and Cuyamaca Street in south Santee. The Salem Brothers had spent the last seven (7) years building one of the largest business portfolios in San Diego County. Their expertise lies in commercial real estate development but over time they have developed extensive experience in petroleum sales, convenience store management, retail sales of alcohol and tobacco and many other comparable disciplines that align with commercial cannabis operations. Their current portfolio includes the following businesses:

Business Name	Location	Description	Notes
Santa Fe Petroleum & Mar Vista Investments	1403 S Santa Fe Ave, Vista, CA 92083	Arco Gas Station and AmPm Convenience Store	Business was established by previous owners in 1992, acquired in 2008
Miramar Petroleum & Miramar Investment Properties	6616 Miramar Rd, San Diego, CA 92121	Arco Gas Station and AmPm Convenience Store	Business was established by previous owners in 1989, acquired in 2009
Ramona Petroleum & Ramona Investment Properties	1015 Main St, Ramona, CA 92065	Arco Gas Station and AmPm Convenience Store	Business was established by previous owners in early 1980's acquired in 2014
Cuyamaca Petroleum & Cuyamaca Investment Properties	8617 Cuyamaca St, Santee, CA 92071	Gas Station, Circle K Convenience Store, Sandwich Shop and Soapy Joes Carwash	Raw land in Santee that was purchased, entitled, permitted and built in 2022.
Murrieta Petroleum & Murrieta Investment Properties	27723 Clinton Keith Rd Murrieta, CA 92652	76 Gas Station, Circle K Convenience	Vacant Entitled Land purchased in 2019; outfitted with 12 Electric Vehicle charging stations
Jamacha Petroleum & Jamacha Investment Properties	613 La Presa Ave, Spring Valley, CA 91977	Arco Gas Station and AmPm Convenience Store	Raw land purchased and built in 2021



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Melrose Petroleum & Melrose Investment Properties	600 Hacienda Dr, Vista, CA 92081	Arco Gas Station, AmPm Convenience Store and Soapy Joes Carwash	Existing gas station that was taken down to the studs and rebuilt in 2023
Sabre Springs Petroleum & Sabre Springs Investment Properties	12610 Sabre Springs Pkwy, San Diego, CA 92128	Arco Gas Station, AmPm Convenience Store and Soapy Joes Carwash	Operational gas station since 1991, purchased, renovated and re-opened in 2022
Gillespie Center	9805 Prospect St, Santee, CA 92071	6 Unit Strip Mall	Proposed site for commercial cannabis retailer, also includes a 7-11 convenience store, barbershop and Mexican Food restaurant
Clinton Keith Petroleum	Clinton Keith Rd & Mitchell\ (City does not have an address for parcel at this)	TBD	Entitling raw land for future construction of gas station, convenience store and car wash with 8 Electric Vehicle charging stations

The facility located at 8617 Cuyamaca St in Santee highlights one of the most impressive accomplishments on this whole list. This facility initially started as a blighted lot of raw land and has been developed into a state-of-the-art, co-located facility outfitted with a gas station, carwash and convenience store. They worked with Allen Sipe and Christina Grierson of San Diego-based firm Mour Group to develop plans that best utilized this raw land went through the entire permitting and entitlement process on their own and opened the business in late 2022. Over the last two years, the City of Santee and its residents have greatly benefited from the transformation of this corner lot at the gateway of Santee. This project is also located right across the street from the proposed location for Flyte’s commercial cannabis retailer. Chris and Martin expect to provide the same level of attention to detail and efficiency in designing the property at 9805 Prospect Ave to meet and exceed the City of Santee’s expectations for design and civic compatibility.

While Chris and Martin are extremely well-versed in the various zoning, land use, planning, and development requirements for opening a business in Santee, they also knew that to secure a permit in this competitive licensing framework, they would need to form a partnership with an experienced cannabis operator who could help manage the business and ensure compliance with local and state regulations for cannabis retail. The Salem Brothers held meetings with roughly a dozen commercial cannabis operators and businesses all over Southern California. Despite their best efforts, they had trouble finding a partner that truly complemented their skillsets and aligned with their core values as business owners. The Salem Brothers eventually reached out to Mazin as they knew of Mazin’s involvement with Off The Charts in Vista and had seen how successful that business had become in a very short period of time. After a series of meetings between Mazin, Ramiz, and the Salem Brothers, it was clear that there was a lot of potential for a synergistic partnership, and eventually, Flyte was officially formed. Flyte is now hoping to improve upon its Owners’ already substantial contributions to the Santee community by pursuing a commercial cannabis business permit and the goal of enhancing the quality of life for Santee residents through cannabis and responsible civic development.

Daily Operations: Our proposed cannabis retailer in Santee involves verifying and checking in customers, processing transactions, providing consumer education, managing inventory, recordkeeping, and other day-to-day tasks comprising our business’s consumer-facing portion. Day-to-day operations for retail are led by the General Manager and Inventory Manager, who manage a team of Cannabis Consultant, Delivery Drivers, Dispatchers, and Security Personnel to ensure that all retail operations are conducted within the scope of compliance with the Santee Municipal Code (SMC) and Medicinal and Adult-Use Cannabis Regulation and Safety Act. We have continued to optimize our daily operations and the associated standard operating procedures (SOPs) throughout the operation of Flyte owner’s licensed cannabis business throughout the last five years, which has resulted in a perfect track record of compliance and significant revenue accrual across all facilities.

Daily Operations – Retail: Day-to-day retail operations include, but are not limited to: (1) Clients entering the Lobby where they’re checked in by a Cannabis Consultant and are then granted access to the Retail Area if occupancy permits; (2) Clients discussing our extensive product line with our Cannabis Consultant and receiving educational information on different products; (3) Clients making informed selections, remitting payment, receiving their order and exiting the facility; (4)



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Cannabis Consultant working to ensure adequate supply in the Retail Area; (5) Inventory Manager and Cannabis Consultants working to track, monitor and transfer inventory; (6) Rending, destroying and disposing of cannabis waste; (7) Training staff on compliant and secure operating procedures; (8) Prohibiting the onsite consumption of cannabis, alcoholic beverages and tobacco by all individuals; (9) Upholding restrictions of and not causing or permitting sale, dispensing, or consumption of alcoholic beverages or tobacco products on or about the premises; (10) Prohibiting visibility of cannabis and cannabis products from the property's exterior; (11) Ensuring all products sold at its licensed retail storefront facility have been cultivated, manufactured, tested, distributed and transported by licensed facilities that maintain operations in full conformance with state and local regulations; (12) Prohibiting loitering by persons on the premises; (13) Adhering to applicable local, state and federal laws and regulations pertaining to persons with disabilities; (14) Maintaining signage and notices; (15) Conducting regular observations of the facility exterior to ensure odors are not drifting offsite; and (16) Working with Security to maintain adequate functions of security systems, reporting any nonconformances and establishing perimeter security.

Daily Operations – Delivery: Flyte's delivery operations involve a heavy component of transportation and logistics management to ensure our Delivery Drivers are safe and customers receive their orders promptly. The Dispatcher manages route planning, scheduling, Driver tracking, and various other administrative functions of the delivery service. The Dispatcher delegates deliveries to our team of Delivery Drivers, who then pack orders, load their vehicles, execute their delivery routes and return to the facility for post-route protocols. Typical day-to-day operations for delivery include but are not limited to (1) Preparing customer orders; (2) Loading and unloading cannabis goods and currency in and out of Delivery Vehicles; (3) Dispatching delivery routes; (4) Monitoring Delivery Driver progress through GPS; (5) Conducting transactions with customers and qualified addresses; (6) Identification verification; (7) Inspecting and maintaining delivery vehicles; (8) Prohibiting visibility of cannabis products from any vehicle(s) owned or used as part of its operation; (9) Cash handling, storage and counting; (10) Adhering to transportation safety procedures; (11) Adhering to state-imposed delivery restrictions on cash and product; (12) Coordinating with Dispatch to resolve any delivery issues; and (13) Using OnFleet to optimize delivery routes and protocols.

A.2.A. CUSTOMER CHECK-IN PROCEDURES

Experience has taught us that well-trained staff, an intuitive POS System that assists with age and recommendation verification, and interior design that facilitates customer flow are critical for compliant screening and transaction procedures. Flyte has developed Client Screening, Registration, and Validation procedures to accommodate high volumes of Adult Use and Medical clients. Flyte has used its collective experience operating cannabis dispensaries as well as commercial retail facilities with liquor licenses to inform its rigorous standard operating procedures (SOPs) for check-in in alignment with the California Department of Alcohol Beverage Control (CAABC) guidelines, particularly emphasizing their strict protocols for customer identification verification and other best practices to ensure only qualified individuals gain access to where cannabis is present at the facility. Cannabis Consultants are responsible for confirming validity of identification for all clients. No customer or patient can access the Retail Area or any other areas beyond the Lobby until their age and/or patient status is verified (4 CCR § 15402). If new or returning clients arrive without documentation of age and/or a current recommendation, Cannabis Consultants ask them to leave the facility and return with proper documentation. Cannabis Consultants consult the customer database for pre-existing clients or initiate membership intake for new clients. Cannabis Consultants buzz visitors into the Retail Area from the separate check-in area of the Lobby only after this process is completed. No customer or patient is ever left alone in the Retail Area without a staff member present. Flyte does not tolerate divergence from check-in protocols. Failure to adhere to check-in protocol is grounds for termination. Under no circumstances are unscreened visitors allowed past the Front Desk into the Retail Area. Flyte assigns all customers unique ID numbers, and a detailed entry log is kept for all persons who check in to the facility. Entry logs are electronically stored and retained for at least seven years in compliance with record retention procedures. The following procedures provide a step-by-step overview of the compliant process for Flyte's check-in and dispensing operations:

Triple Verification Process: Flyte incorporates a rigorous process for age verification and identification (ID) validation to ensure all individuals on the premises are over 21, to prevent the sale of cannabis to minors, and to avoid pitfalls of false or invalid ID that could lead to unqualified individuals purchasing cannabis. A standard customer experience begins with a customer being greeted outside the retailer's only public entrance by Flyte's state-certified security guard. A preliminary



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visual ID check is done before the customer is granted access to the premises; if the individual passes the first ID check they are directed to the lobby. The customer is greeted by a Cannabis Consultant within the Lobby and a second ID check is conducted using scanners integrated with our Meadow point-of-sale (POS) system. Once the ID is scanned and validated, the customer is checked into the Customer Queue. We create a new profile for first-time customers and ask if they would like to sign up for Flyte's loyalty rewards program; returning customers are linked to their loyalty account, so all purchases are tracked for in-store benefits. By signing up, customers consent for Flyte to store their data within the Meadow POS system, allowing for more streamlined age and ID verification for future purchases. A customer may choose to conduct their transaction as a one-time customer, which will result in the customer data still being put in the system for the purposes of the transaction. The customer is then granted access to the Retail Area where they are prompted for a third ID verification by a Cannabis Consultant before discussing any cannabis products or making a purchase. The customer is considered officially verified and eligible to make a purchase once they have completed the third ID check in the Retail Area.

Age Verification Clientele must provide valid government-issued identification for age verification upon entry. Patients must prove they are over 18 while adult-use clients must prove they are over 21 (4 CCR §15400). Flyte uses Meadow's integrated identification scanners to verify age prior to entry into the Retail Area, which allows Cannabis Consultants to scan the barcode of government identification to verify the client's age and confirm validity. Adult Use customers must provide documentation that shows that they are age 21 or older. Medical cannabis patients must show identification that confirms that they are age 18 or older along with a valid physician's recommendation or cannabis card as defined by the Health and Safety Code § 11362.71 (SMC § 7.04.340 (H)(2)). We also confirm that the ID is not expired; any client that submits expired or invalid identification is turned away, and we request that they return with their current identification. Further, our intake protocol requires staff to upload photographic proof of all new clients' government-issued IDs. We have two ID Scanners synched with Meadow that are positioned at the Front Desk for pre-entry age verification purposes.

Registration of New Adult Use Clientele: All Adult Use Customers must register as a new client or verify an existing profile at check-in. The Meadow POS system requires input of client information, including (1) Scanned government ID, (2) Date of birth, (3) Identification expiration, and (4) Contact information and ID/registration documents. The database assigns client ID numbers for internal tracking and sales reporting; it also saves this information in full member profiles, so ID expiration dates and other information are easily accessible by staff. These queues enable staff to best serve clients by being able to access previous transactions and make recommendations based on prior visits, as well as to track purchase limits. It also enables staff to know who is currently in the facility and the amount of cannabis purchased on any given day. The customer tracker assigns each transaction to a client's unique ID number so staff can audit the system regularly and prevent transactions above the daily limits imposed by the state (4 CCR § 15409). All stored information will have unique access level requirements to protect and keep client information secure. Adult Use customers are buzzed-in through an electronic panel behind the reception desk and given access to the Retail Area only after this process has been completed. If the Retail Area is at maximum occupancy, we ask that customers wait in the Lobby and view our educational materials until there is available space in the Retail Area.

Patient Registration & Support for New Patients: Medical patients complete a Patient Information Form with contact and emergency information only after they confirm they are 21 or older and have provided valid documentation. Staff is required to create a new file in Meadow's database and attach all scanned documentation into a patient's profile. All patients receive unique ID numbers and Handbooks with the retail storefront's rules and regulations. Patients are given a medical information pamphlet as part of their Handbook. Patient profiles contain the following: (1) Name and contact information; (2) Medical recommendation/Cannabis Card ID number; (3) Physician name and contact; (4) Recommendation issue/expiration date; (5) Recommended uses and prescription limits; (6) Diagnosed qualifying condition. Patient profiles feature medicinal recommendations based off diagnosis and purchase histories. Patient orientation includes questions to confirm their recommendation is consistent with their condition. Intake staff inquire about patient recommending physicians to ensure compliance with State law. Flyte promptly reports any suspect or fraudulent healthcare provider activities to the Medical Board. Additional medical documents, such as permission for usage amounts exceeding state daily limits and patient government issued IDs, are also scanned into patient records. All patient documents and records are input into Meadow's database, stored in a secured area, and made available to the Department of Cannabis Control (DCC) upon request (4 CCR § 15037(d)).



Separation of Medical and Adult Use Transactions: We separate Adult Use and Medical client experiences from check-in through purchase to ensure compliance with Health Insurance Portability and Accountability Act (HIPAA) and create the best possible experience for clients. Cannabis Consultants verify Adult Use customer or Medical Patient status in the Retail Area and assist in product choice based on patient status. Cannabis Consultants only move forward to discuss product and process transactions after they have confirmed the client's valid ID and, if applicable, doctors' recommendation, is present in our internal records. This form of double verification ensures vigilance in the confirmation of age and identity of our clientele to prevent diversion by individuals attempting to access the facility with false identification. Cannabis Consultants are available to Medical and Adult Use clients to discuss cannabis use as a wellness treatment for various ailments, including the medical effects of different cannabinoids, their interrelationship, and dosing suggestions. Cannabis Consultants focus on client-specific wellness and treatment plans and provide informational handouts upon request. Cannabis Consultants are available to review and update care plans and trained to discuss alternative treatments, as well as to identify signs of misuse and dependence. Final transactions are designated as "Medical" or "Adult Use" in the Meadow POS processing system and appropriate taxes are automated. Meadow's integration with Metrc ensures real-time compliance with transactional elements of MAUCRSA and SMC. Managerial insight has taught us that sales staff must be qualified and prepared to discuss cannabis at a research-based health and wellness level and be able to do so in a way that is understandable and relatable to a wide spectrum of clientele. Although Medical Patients often have more complicated and nuanced inquiries, most Adult Use customers also seek informed guidance when choosing cannabis products. Cannabis products on display will be mostly uniform amongst checkout counters; however, any designated medical products having higher cannabinoid content and dosing will be available only at medical counters to avoid any potential confusion to both Medical and Adult Use customers. This separation of product process begins when we receive deliveries of cannabis goods and continues through clientele checkout. Proper separation of "Medical Use Only" products maximizes efficiency, while Meadow and Metrc software ensures that "For Medical Use Only" products are only sold to qualified patients.

Patient/Client Record Protocol – HIPAA: Medical patients fill out a Membership Agreement, Health Insurance Portability and Accountability Act "HIPAA" Privacy Authorization Form and sign the Initial the Rules for Membership in addition to the Patient Information Form. Caregiver records are attached to patient profile for patients in their care. All Flyte employees are trained in HIPAA compliance and confidentiality and are responsible for exercising when addressing medical conditions and personal information. Confidentiality training includes methods and concepts designed to protect staff (such as work schedule, phone number, home addresses, vehicle information and other personal information) and facility information (Operational procedures, response protocols, network passcodes and other restricted information).

Determining Documentation Validity: Admitting individuals into the retailer premises with false identification could lead to theft, diversion, loss or other adverse event, and we take strict measures to prevent this occurrence. It is imperative that our staff is thoroughly trained on how to analyze documentation that is presented by customers to confirm their age and identity. Below is an excerpt of our standard operating procedure for documentation validation that we use to train employees and as a reference guide to completing this process effectively:

- 1) Greet customer warmly and ask for identification;
- 2) Make sure the customer physically presents their ID; it cannot be observed through a wallet or other carrier;
- 3) Use blacklight to verify validation points are present, specific to state ID, including: (a) First, Last Name, Middle Initial; (b) DOB that indicates customer is 21 or older; (c) Expiration Date; (d) Photograph matches the individual who presented the ID; and (e) It scans using Meadow's integrated scanner and presents as valid;
- 4) If there is confusion or uncertainty regarding the ID's validity, refer to our Unacceptable ID Visual Guide;
- 5) If the Identification is from out of state, please use the ID Checking Guide to verify authenticity;
- 6) Once the ID is deemed an acceptable type of identification, use the additional steps to verify authenticity:
 - a. Hold ID and feel for: (i) Raised edges around the photo; (ii) Bumpy surfaces; (iii) Irregular lamination; (iv) Cuts, slits or pin holes; (v) Peeling lamination or uneven corners; and (vi) Thickness or quality of ID
 - b. Closely read the ID: (i) Check expiration date first and reject the ID if it is expired; (ii) Check the DOB; (iii) Check photo and ensure it matches the appearance of the individual who presented the ID; (iv) Compare consistency of printing; (v) Look for letters and numbers that do not match in font or alignment; (vi) Turn over ID and check the information on the back;



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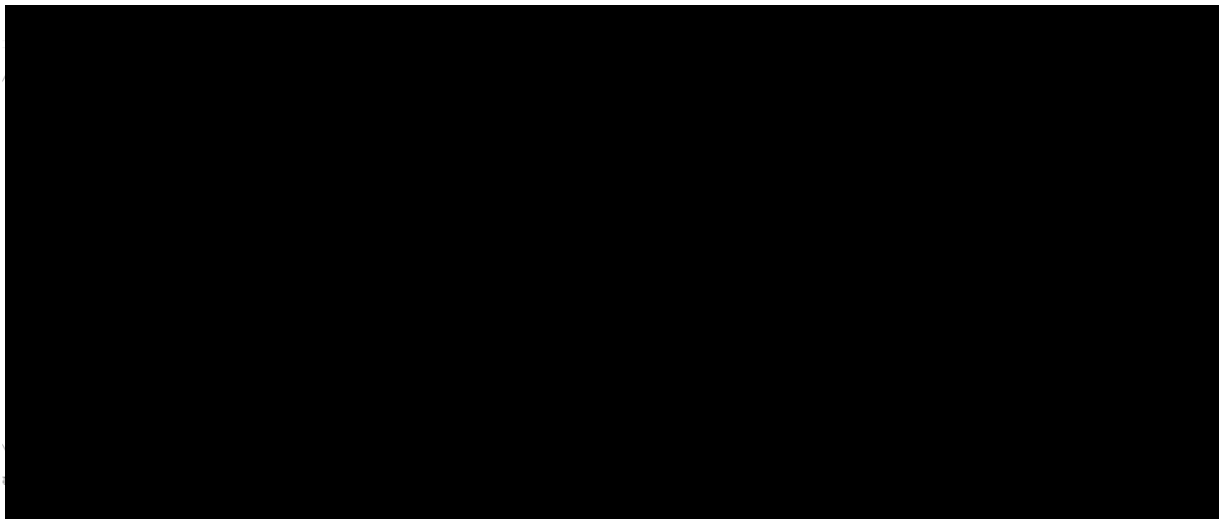
- 7) If there is any question regarding the ID's validity, quiz the person on the information listed on the ID ask for their: zip code, spelling of their middle name, address, and age. You can also ask them to sign their name and compare it to the signature on the ID or for another piece of ID (people with fake ID rarely have a backup);
- 8) If you suspect the ID is invalid, call your Lead over so there is a witness to the interaction; if a Lead is not available call your Team Lead or the General Manager; and
- 9) If you have confirmed the individual is not of legal age or does not have an acceptable unaltered and unexpired form of identification, calmly let the individual know that as much as you would love to help them, their identification is unacceptable, and you will be unable to allow them into the facility.

All customer-facing employees receive regular training on the latest age and ID verification techniques modeled after CAABC's educational programs, ensuring they are adept at recognizing fake IDs and understanding the legal ramifications of non-compliance. Furthermore, the most recent edition of the I.D. Checking Guide, which shows every valid identification card format in actual size and full color, is readily available for employees to utilize when reviewing unfamiliar or questionable I.Ds.

Visitor/Contractor Check-In: Visitors, contractors and equipment technicians are only allowed on-site if duties require access. Visitors must provide valid ID, sign into a secure logbook and wear serialized temporary ID badges at all times (4 CCR § 15042). Flyte employees make a photocopy of the visitor's ID that is put into a visitor logbook along with the reason for their visit. Additionally, the time-in, time-out, and record of any access to limited access areas are recorded for all visitors and contractors. No visitor under 21 is permitted on the premises at any time. Any non-clients, media, or community members who want to tour the facility must have prior management permission management and will be issued a temporary badge if approved. Visitors are supervised at all times by a staff member.

Authorized Agent Check-In: Agents of the Santee Police Department, DCC, City and County code officers, sheriff deputies, Fire Department and other authorized representatives are granted unrestricted access for inspection, investigation, auditing, and other approved purposes (4 CCR § 17800). These individuals are still required to go through visitor check-in procedures, which are described in *C.3.A. Operational Security: Access Control Systems & Visitor Control* within **SECTION C: SECURITY PLAN**.

A.2.B. LOCATION & PROCEDURES FOR RECEIVING DELIVERIES





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All cannabis goods transferred from the transport vehicle must be placed in packaging that precludes visibility to the general public. The diagram below displays the process and location for receiving deliveries:

We first coordinate with distributors to arrange a proposed transaction time for delivery.

The Distributor's delivery driver is then given instruction as to where to unload upon receipt and verification of Shipping Manifest.

Our two-pronged approach to track and trace with Meadow and Metrc assists with verification of product source by requiring transfer manifests anytime a package moves from facility to facility. Transfer manifests are made prior to transport and can only be generated between licensed Distributors and annual licensees granted access to the state's Metrc database. All product received through a Metrc verified transfer involves a licensed product source delivered by a licensed Distributor. Confirmed receipt by a licensee results in the product details being assigned to the receiving party's inventory in Metrc's database; this is reflected in Flyte's Metrc account and our Meadow POS system, which links to Metrc in real time. All incoming shipments of inventory are received in Vendor Intake/Delivery Staging, which is completely separated from any areas that our clients may access. Conducting delivery receipt away from any client-facing areas ensures public safety and prevents theft or diversion by avoiding a situation where bulk cannabis goods are accessible to individuals on the facility exterior during delivery intake.

The General Manager inspects all incoming shipments to ensure deliveries match the transfer manifest, including matching Certificates of Analysis (COA) and compliant packaging and labeling of all cannabis goods. Security Personnel are always present to supervise during receiving protocols as a form of double verification. Any cannabis goods with compromised packaging and labeling are rejected immediately as these cannabis goods present threats for diversion and theft. Any received package that does not match the weight, volume or count on the manifest is adjusted and reported in our Retailer Inventory to match actual adjusted weight, volume or count (BPC §26070(h)). We accept or reject shipments of cannabis goods in whole. We only reject partial orders of cannabis goods if we receive an order containing cannabis goods that differ from those listed on the shipping manifest, that were damaged during transportation or that contain cannabis goods that are non-compliant with packaging and labeling requirements. The rejected portion of the order is always recorded in Meadow POS and Metrc (4 CCR § 15049(b)(2)). Upon inventory verification, confirmed shipments are documented in recorded sales invoices between licensees that specify: (1) Name/address of purchaser; (2) Date of sale and invoice number; (3) Kind, quantity, size and capacity of packages; (4) Cost to purchase; and (5) Place from which transport was made.

Rejected shipments are documented and recorded in Metrc to reflect the reason for rejection. Flyte signs the Shipping Manifest, and received product is inventoried in the Receiving Room once the Transfer Manifest has been confirmed and the full inspection is conducted. The delivery driver is given a copy of the approved or rejected shipping manifest, indicating the date, time, receiver's name, licensee name and license number, and any discrepancies in delivery. Meadow automatically updates when Metrc receives incoming inventory, sets a package's unit of measure prior to acceptance and creates manifests for returns, customer deliveries, and transfers. Inversely, Meadow pushes automated updates to Metrc for sales and associated package IDs, product price, changes in quantity/inventory and closed packages upon delivery. Flyte's designated Compliance Officer maintains an active roster of all employees using the Metrc system and notifies the DCC via Form BCC-LIC-028 within three days if a compliance notification is not fully resolved (4 CCR § 15023(e)(2)). All required data points for receiving deliveries are entered into the Meadow POS system and automatically update in the company's Metrc account. All transactions are accounted for within 24 hours; any discrepancies are reported to the DCC (4 CCR § 15036(a)).

A.2.C. POS SYSTEM

We utilize Meadow POS software for the electronic tracking and storage of required records of sales, delivery manifests and inventory that exceeds the minimum track and trace requires promulgated by the Business Professions Code (BPC) and California Code of Regulations (4 CCR Article 6). Meadow's software



SECTION A: BUSINESS PLAN



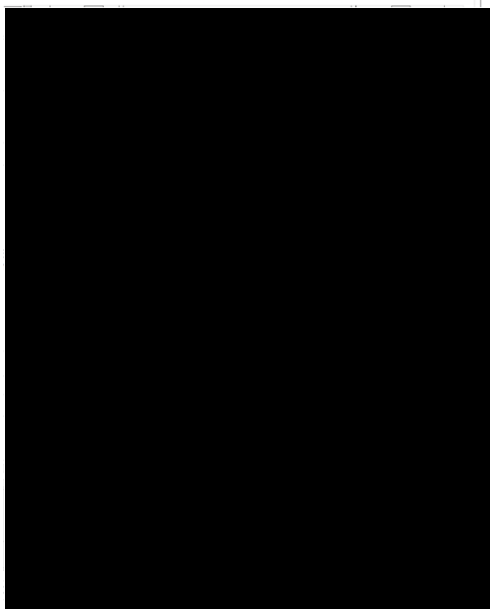
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platform for all online orders to streamline customer flow and reduce wait times and prevent traffic-related bottlenecks in the store; Orders that are placed online through our website are populated in our in-store POS and accounts for related product movements into our inventory control and reporting system. Meadow then integrates with Metrc to create an inventory management platform with double verification and seamless integration. All required data points are first entered into Meadow and Dutchie, which then automatically updates data in our Metrc account. All transactions are accounted for within 24 hours and any discrepancies are reported to the Department of Cannabis Control (DCC) immediately (4 CCR § 15049(c)). We use OnFleet's software and equipment for deliveries to provide real-time location monitoring, log electronic capabilities, and report fuel consumption and driver route performance. Any information requested by the DCC regarding location and delivery routes is immediately accessed through the system and dutifully supplied. We use Meadow POS and OnFleet at all our facilities, and with 20+ collective years of experience using Meadow POS and Metrc between our owners and managers, we have mastery of all system features and operations and are able to easily troubleshoot any issues we may experience with the system.

Metrc Integration: Meadow exceeds minimum state requirements by automatically integrating the following into Metrc for each purchase: (1) Name and type of cannabis goods; (2) Unique identifier of cannabis goods; (3) Amount of cannabis goods, by weight or count, and total wholesale cost of cannabis goods, as applicable; (4) Date and time of activity or transaction; and (5) Name and license number of licensees involved in the activity or transaction. Meadow features two separate modules for track and trace: Inventory Tracking and Compliance Tracking. Inventory Tracking helps us monitor inventory internally as it moves through the internal chain of custody such as from secure storage to the Retail Area, while Compliance Tracking monitors inventory that exits our chain of custody as part of a transaction, which requires a heightened emphasis on compliance with state track-and-trace regulations and involves integration with Metrc. We invite City officials and designees authorized to enforce provisions of MMC to have access to our books, records, accounts, together with any other data or documents relevant to our retail activities for the purpose of conducting an audit or examination. Meadow POS allows us to provide these records in an electronic format that is compatible with the city's software and hardware.

POS Locations: We have proposed seven (7) total POS locations at any given time, which allow us to efficiently serve all our clientele while keeping our operations safe and efficient. Four (4) POS terminals are allocated to Adult Use transactions, while two (2) POS terminals is designated for Medical transactions to maintain HIPAA compliance. We have designated one (1) POS terminal to process ADA transactions and Express Pick Up online orders; this terminal is also used as an additional "flex" POS station available for processing any kind of transaction during high traffic times. There is a surveillance camera located at each POS terminal that allows for the recording of the facial features of any person purchasing or selling cannabis goods or any person on the Retail Floor with sufficient clarity to determine identity.



A.2.D. NUMBER OF CUSTOMERS TO BE SERVED PER HOUR/DAY

We have gathered significant amounts of customer data from existing operations at CEO Ramiz Naoum and COO Mazin Stephan's operational facility in Vista, Off The Charts, that is not only the close in proximity to Santee, but also offers the most applicable for comparison based on local demographics and the ratio of licensed facilities in surrounding areas to overall population. Analysis of our customer metrics at Off The Charts in Vista has given us a baseline to create an accurate representation of our customer expectations for planned operations in other locations with varying degrees of demographic comparability. In the most recent census on record (2022), the population of Santee was 59,051, which is roughly 60% of Vista's population (97,766). While our Vista and proposed Santee locations have similarly low levels of market saturation in nearby jurisdictions, because Santee's population is smaller, we have adjusted our customer projections to account for a lower population both in the City and the surrounding area.



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Off The Charts' Vista location currently processes an average of ~900 transactions a day, with peak traffic reaching 1,000 per day transactions *We estimate that we will be able to process upwards of 500 transactions per day with peak traffic projections reaching upwards of 600 transactions per day at our Santee location given the population and demographic analysis highlighted above. This translates to approximately serving 42-50 customers per hour.*

Operational data from Vista shows an average transaction time of seven (7) minutes per customer, which we believe can be replicated at Flyte in Santee based on the general experience level with cannabis observed in consumers throughout San Diego County. This average transaction time does not impact sales as we have the number of POS

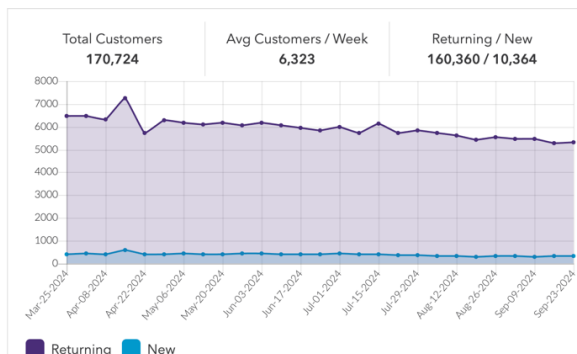
terminals required to consistently process transactions. We are confident our existing operational throughput can be replicated in Santee. Despite designing our ability to facilitate upwards of 600 transactions per day, our initial financial projections for Santee are extremely conservative, and we are very confident in our ability to exceed those expectations once operations begin. We pride ourselves on our customer retention rates, and our ability to be so successful in other markets comes from our propensity to incite customer loyalty and repeat business. Roughly 92% of business in Vista over the last three months has been attributed to returning customers. Our customer retention efforts not only allow us to ensure a steady flow of customers, but they also allow us to increase the speed of transactions and flow due to the rapport between staff and customers as well as customer familiarity with the retail space and product offerings.

Our expectant operating costs include staffing that will allows us to service numbers in line with our other locations, but slightly more conservative projections allow us to have realistic expectations. We have developed staffing projections that include 17 employees at initial opening and 20 employees at full capacity. Thirteen (13) of these employees are customer facing and handle customer transactions, which we believe is sufficient and correlates effectively to our projected customer volumes. These staffing projections are outlined further in **SECTION B: LABOR AND EMPLOYMENT PLAN**.

A.2.D.I. CUSTOMER TRAFFIC CONTINGENCY PLANS

We have developed and implemented various contingency plans and other strategies to address peak customer traffic while maintaining both internal efficiency and integrity of the customer experience. These strategies have proven to be effective as demonstrated by gradual increases in the number of daily transactions, total revenues and customer loyalty for operational businesses owned and operated by Flyte's CEO Ramiz Naoum and COO Mazin Stephan.

Our primary strategy for peak customer volumes is our Express Pick-Up Service. This allows customers to place orders online through our website, which is integrated with Meadow and provides full access to our entire product line. Clients can either make an account to place an order so their information is saved for future orders, or they can place an order as a guest. Clients can then scroll through our entire menu and make product selections through the online system. Clients then have the option to pay online in advance or they can pay in-store when they come to pick up an order. Online orders prompt clients to upload the front and back of their government issued ID, which enables us to enact the same customer verification protocols we use in-store for all customers who are using the Express Pick-Up option. The Meadow online order system also has built-in purchase limits just like our in-store POS, so customers are notified and transactions are blocked when an online order has exceeded state-imposed limits. We assign Cannabis Consultants to Express Pick-Up order fulfillment, who are responsible for monitoring the order queue, packing online orders and ensuring they are ready for pick up. Once customers have completed their order, they come to the store, tell the check-in staff that they have an online order and are fast-tracked to a POS station that is specifically allocated to Express Pick-Up orders. Our Cannabis Consultants verify identification one more time in person, accept payment for the order if the customer has not already paid online, and provide the order to the client in compliant exit packaging. Our Express Pick-Up service has proven to reduce the amount of time spent in-store by upwards of 80%, which allows us to serve more customers and maintain operational efficiency for in-store customers with ease. We advertise our Express Pick-Up service prominently to encourage this option and help us save time for both the customer and our staff. This service is offered at all our stores and will be a crucial component of managing peak customer volumes at our proposed Santee location.





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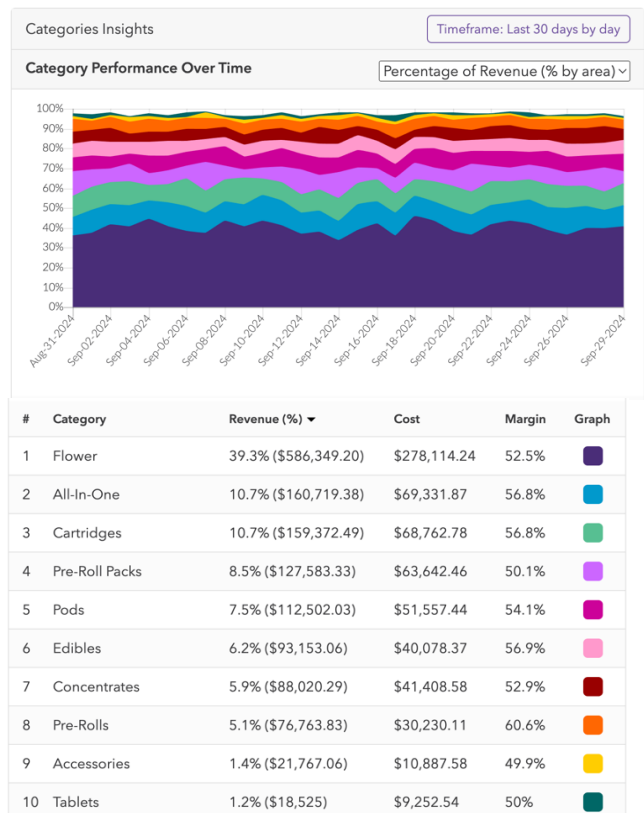
A primary contingency plan and strategy for logistical activities is the pre-arrangement of incoming deliveries. Our Inventory Manager works with distributors to schedule regular deliveries of cannabis goods on a quarterly basis, with pre-arranged deliveries throughout each fiscal quarter. This system allows us to replenish inventory pre-emptively without the opportunity to run out of a certain product or series of products. We analyze the products that are most popular with our customer base in a given jurisdiction and ensure that the popularity of a given product correlates to incoming delivery frequency. This system is designed to increase customer loyalty and ensure logistical cohesion so we always know when an incoming delivery is scheduled and never have to scramble to keep our shelves stocked.

Lastly, our peak volume contingency plans include assigning Personnel as traffic attendants during high traffic hours. During our first weeks of operations, staff runs customer counts at all hours of the day to determine what days and times result in peak traffic and potential vehicular and customer traffic. In parallel with running traffic analyses, we employ traffic attendants from local companies during peak hours to direct vehicular and pedestrian traffic in and around the facility during high traffic hours. Our Good Neighbor Policy commits us to ensuring that neighbors and residents surrounding our facility are not burdened by any excess traffic, so our implementation of traffic attendants has allowed us to uphold our Good Neighbor Policy while creating efficient traffic flow during these peak hours. Our implementation of online, express orders, incoming delivery logistics, traffic attendants and roving security patrols have all combined to allow us to adeptly manage peak customer volumes.

A.2.E. PROPOSED PRODUCT LINE

Flyte utilizes its vast network of suppliers to offer clients the highest-quality cannabis and cannabis-infused products at the some of the industry's most affordable prices. By leveraging CEO Ramiz Naoum and COO Mazin Stephan's strong industry connections from their time spent with prominent cannabis consortium Off The Charts, Flyte is set to offer a diverse range of the highest quality cannabis and cannabis-infused products on the market, ensuring every client's needs and preferences are met. Additionally, CSO Chris Salem and CDO Martin Salem are applying over a decade of experience in general retail operations to showcase Flyte's product line in a way that facilitates convenience and brand communication for all customers. This approach not only positions Flyte as a leader in the cannabis retail space but also underscores its dedication to customer satisfaction and accessibility.

Product Line Assumptions: Flyte has used data derived from Meadow POS Software at CEO Ramiz Naoum and COO Mazin Stephan's business in Vista as a comparable jurisdiction to develop estimated sales percentages for Santee. ***Overall, flower, including pre-rolls, still accounts for nearly half of all sales and we project it will account for roughly 45% of our sales in Santee. Manufactured products will account for the other 55% of product sales.*** New edibles and concentrate products continue to drive increasing sales of non-flower cannabis products, but overall, our internal data and industry projections seem to agree that flower will continue to account for the largest percentage of sales for a singular product, with the varying manufactured products categories continuing to vie for increased market shares amongst consumers who prefer non-flower cannabis derivative products. In addition to data-driven product line decisions, our Inventory Manager is responsible for researching all our nearby competitors to ensure we provide the most favorable prices to our customers. Further, our managers perform 5-10 hours of market research each week through various industry trade magazines, blogs, and market reports to make sure our product selection includes not only





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well-known industry brands, but emerging craft producers that emphasize quality and sustainability. All our product offerings are featured on our website, which provides consumers with the opportunity to provide reviews and comments, and we constantly monitor this correspondence to better understand consumer preferences in different markets.

Product Line Composition: Flyte offers an inclusive variety of cannabis and derivative products that provide relief to targeted ailments and will keep up to date with ongoing research by industry professionals to further refine product offerings to incorporate newly discovered benefits of cannabis use. Different strains and cannabis derived products provide a broad spectrum of effects and benefits ranging from pain relief to appetite stimulus, stress relief, and metabolic functioning. The cultivators and manufacturers that make these products are also specialists in their respective disciplines, and their products have been tested by licensed laboratories to ensure consumer safety. Some companies offer both flower and manufactured products depending on their expertise and/or vertical integration status, and our product line blends brands that are specialists in a certain product with brands that offer a variety of products. Product offerings are accompanied with educational materials and member support emails that discuss different types of cannabis and derivative products available as well as the different means for ingesting cannabis and recommended dosages. Flyte's website provides information pages for products sold at the Santee location. The following is a list of product types, subcategories, as well as some of the suppliers that we intend on using at Flyte:

Flower: Traditionally, flower comes in three main varieties: (1) Indica, (2) Sativa, and (3) Hybrid. These classifications have recently received criticism since the discovery of lesser-known compounds, such as terpenes and other cannabinoids, that better explain the effects of cannabis strains. Flyte's training educates employees on 10-12 common terpenes as well as 8 different cannabinoids found in cannabis and their individual and synergistic effects so we can better assist customers with product selection. Flowers are typically consumed by smoking or vaporization. Flyte also offers pre-rolls, which are pre-rolled joints of packaged flower rolled into smoking papers, novelty leaves or cellulose. All flower varieties will be sold in the following increments: (a) grams; (b) 1/8 oz.; (c) 1/4 oz.; (d) 1/2 oz.; and (e) 1 oz. and are described in detail below:

- **Indica:** Indica provides relaxing, sedative effects. Indica compounds relieve pain, muscle tension, insomnia, anxiety, lack of appetite, ease spasms and reduce inflammation.
- **Sativa:** Known for treating depression, fatigue, and promoting creativity and sociability. Can mitigate effects of glaucoma and certain nerve conditions; effects vary across users. May aggravate anxiety and fibromyalgia.
- **Hybrid:** This term refers to in-between options, which lie between the energetic, stimulating Sativa and the relaxing, sedative Indica sides of the cannabis spectrum.
- **Terpenes:** These compounds are primarily antioxidants that give cannabis flower their sensory characteristics i.e., taste and smell. Terpenes work together with cannabinoids to penetrate our endocannabinoid receptors most effectively, which is a phenomenon known as the Entourage Effect.

Flower Brands: Pacific Stone; FloraCal Farms; Blem; STIIIZY; Ember Valley; The Cure Company; NUG; Lolo; Claybourne Co.; Glass House Farms; Kush Company; Cannabiotix; WonderBrett; Autumn Brands; Connected Cannabis Co.; Alien Labs; Old Pal; Jeeter; West Coast Cure; Maven; Malibu Gold; etc.



Concentrates: Concentrates are products that refine flowers into something cleaner and more potent. These include hash, dry sift, as well as hash oils and indicates these products are a concentrated form of cannabis, carrying much higher potency. Extracts will be sold by the gram, 1/2 gram or milligram. Dosing warning/advisement will be provided for concentrates. Types of concentrates are described as follows:

- **Vaporizer Cartridges:** A small, portable pre-filled concentrate cartridge for use with a vape pen or as a disposable.
- **CBD Crystalline:** Non-psychoactive cannabinoid ingested to create a calming effect with no cognitive impairment.



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- **Live Resin:** Extract from fresh-frozen plants that preserve unique aroma/taste, versus dried plant used in other extracts.
- **Sugar/Sauce:** THCA crystallization mixed with terpenes, which forms an extract with sugary texture and sap-like consistency. High potency and strain-specificity with terpene-rich profiles make these a favorite amongst consumers.
- **Hash/Bubble Hash:** A potent powder, rock, or taffy like substance with trichomes containing high levels of cannabinoids. Hash oil is a comparable product created through a solvent-based chemical process.
- **Dry Sift:** Results of separating trichomes from cannabis. Kief's high amounts of cannabinoids make it a potent extract.
- **Rosin:** Solventless concentrate made by pressing flower or other material containing trichome/resin stalks at specific temperature and pressure. Contains full spectrum of compounds from original plant and doesn't involve toxic solvents.

Concentrate Brands: STIIIZY; Raw Garden; West Coast Cure; WonderBrett; Dripp Extracts; URSA Extracts; Claybourne Co.; Rove; HUSH; Alien Labs; BEAR Labs; NASHA; Friendly Farms; 710 Labs; Buddies Brand; Off the Charts; Cresco Labs; Fatso; Honey Butter Rosin Co.; etc.



NASHA

PAX



Edibles: Edibles consumed orally enter the blood stream after being broken down in the stomach. These are created by infusing butter or oils with heat to create a decarboxylated medicated meal or treat. Most edibles on the market come in individual packages of 10 pieces with doses ranging between 0-10mg of THC/piece. The list below describes the different types of edibles available in the market:

- **Treats:** Cookies/Candies/Gummies/Chocolates- Consumables comprised of cannabis-infused butters and oils with differing cannabinoid concentrations. Edibles have delayed effects and must be taken with attention to dosage.
- **Beverages:** Tea, Soda, Juice- Like edibles, beverages are infused with cannabinoids but in liquid form. Beverages provide users with a consumption option with similar release timelines and effects as other edibles.
- **Sublinguals:** Sprays/Strips- Direct sublingual application involves placing decarboxylated cannabis under the tongue, allowing cannabinoids to immediately enter the bloodstream through.
- **Tinctures:** Concentrated liquid form of cannabis, typically made from glycerin or alcohol. Typically distributed sublingually via a medicine dropper for fast absorption. Similar effects as edibles; users feel results in less time than consuming edibles.
- **Gelcaps (THC/CBD):** Made with extracted cannabis oil combined with oils such as grapeseed or coconut. Capsules come in differing concentrations and are synthesized to concentrate select cannabinoids such as CBD, THC, CBN.

Edibles Brands: Heavy Hitters; PLUS Products; Procana; Cannavis; ABX; Buddies Brand; Kiva Confections; LEVEL; Flav; Kanha; Smokiez Edibles; WYLD; Proof; Papa & Barkley; TONIK; KEEF Brands; Emerald Sky; CANN Social Tonic; Kushy Punch; Kaneh; Venice Cookie Company; etc.



Topicals: A topical is any type of cannabis product, including lotions, balms or creams that are applied to the outside of a user's body to help with medicinal issues like body pain, skin problems, etc.

- **Balms/Cremes/Lotions:** help to relax inflammation and relieve pain in areas where applied. They are great for muscular or joint pain, arthritis, sciatica, or targeting external pain *without psychoactive effect*.
- **Oils:** Cannabinoids in oils interact with receptors in the peripheral nervous system to promote system relaxation and relief of chronic pain issues making for beneficial use in massages and other applications.
- **Transdermal Patches:** Transdermal cannabis patches are adhered to venous areas of the body and allow cannabinoids to work by entering the bloodstream for an effective and long-lasting response.



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- **Soaks:** Cannabis bath soaks combine various herbs and aromatics with the healing benefits of CBD and THC. Soaks have similar properties as other topicals and do not produce any psychotropic effects.

Topical Brands: Kush Queen; Papa & Barkley; Yummi Karma; Proof; Dr. Raw; Mary's Medicinals; Cannariginals.



A.2.F. LOCAL & STATE COMPLIANCE

Flyte owners have a demonstrated record of compliant operations in the cannabis industry and ancillary highly regulated industries. Our perfect track record of compliance is exemplified by our CEO Ramiz Naoum and COO Mazin Stephan collective 10+ years of operating multiple businesses in California's heavily regulated cannabis industry. This includes the entire process from submitting competitive applications for cannabis permits in local jurisdictions to post licensing compliance and operations. Our owners and managers are experts in compliance with MAUCRSA and are well versed in all additional regulations promulgated by the DCC as well as the additional regulations and guidelines promulgated by ancillary organizations and regulatory bodies at the local, state and federal level. Ramiz and Mazin have a complete understanding of the entire supply chain and how each of these regulatory bodies factor into compliant operations for a cannabis retail storefront and delivery company. Our CSO Chris Salem and CRO Martin Salem also have 30+ collective years of experience operating businesses in highly regulated industries such as petroleum and convenience store retail, with an emphasis on alcohol and tobacco sales. This adds a unique perspective on compliance to Flyte's operations, as The following includes an outline of the various local laws and state regulations that are incorporated into our SOP's to ensure sustained compliance, including various provisions of the Santee Municipal Code:

SMC § 7.04.340 GENERAL OPERATING REQUIREMENTS: See below for further detail regarding our efforts to comply with the various operating requirements promulgated by the SMC:

SMC § 7.04.340(A): Flyte only operates during the hours specified in the Cannabis Business Permit issued by the City. Flyte does not employ anyone under the age of 21 to work in our business.

SMC § 7.04.340(B): Flyte prohibits cannabis consumption on the premises, which includes the physical building and leasehold space, as well as any accessory structures, parking areas, sidewalks, driveways, or other immediate surroundings. The sale, dispensing, or consumption of alcoholic beverages or tobacco products on or about the premises at Flyte is strictly prohibited. Robust security and customer service SOPs are in place to ensure no on-site consumption of alcohol, tobacco or cannabis products brought in by patrons or employees are consumed on the premises.

SMC § 7.04.340(C): Exterior business identification signage is limited to Flyte's name and does not contain logos or information that identify, advertise, or list the services or products offered. We never have anyone on the premises, in the public rights of way, or anywhere else hold a sign and advertise our business to passersby. No signage placed on our building obstruct any entrance or exit to the building or any window. Signage does not depict any image of cannabis or cannabis products, and we never use any banners, flags, snipe signs, billboards, or other prohibited signs. Delivery vehicles do not display advertising or symbols visible from the exterior of the vehicle that suggests the vehicle is used for cannabis delivery or affiliated with a cannabis retailer. Delivery vehicles will maintain solid exterior colors with no additional markings. Delivery Drivers are prohibited from adding any identifying features to the vehicles, such as bumper stickers.

SMC § 7.04.340(D): Flyte has in place Meadow POS, a point-of-sale and inventory management tracking system to track and report on all aspects of the cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale), and other information which may be deemed necessary by the City. Flyte ensures that such information is compatible with the City's recordkeeping systems. In addition, the system has the capability to produce historical transactional data for review. Furthermore, we will seek approval and authorization from the City Manager prior to it being used.



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SMC § 7.04.340(E): All cannabis and cannabis products sold at our facility are cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the state and local regulations.

SMC § 7.04.340(F): Flyte provides the City Manager with the name, telephone of owner and Community Relations Officer, Martin Salem, to whom emergency notice can be provided at any hour of the day.

SMC § 7.04.340(G)(1-4): Flyte's identification signage conforms to the requirements of Chapter 13.32 (Signs), which includes, but is not limited to, seeking the issuance of a City sign permit. All signs placed on the premises at Flyte never obstruct any entrance or exit to the building or any window. Each entrance to the facility has a clear and legible sign posted stating that smoking, ingesting, vaping, or otherwise consuming cannabis on or anywhere adjacent to Flyte's premises is strictly prohibited. None of these signs are larger than two feet by two feet. Business identification signage is limited to that needed for Flyte's identification only and never contains any logos or information that identifies, advertises, or lists the services or the products offered. Flyte never advertises by having someone hold a sign and advertise the business to passerby, whether such person is on our premises or elsewhere, including, but not limited to, the public right-of-way. None of Flyte's signage depicts any image of cannabis or cannabis products. We also never use permanent banners, flags, temporary billboards, or other prohibited signs.

SMC § 7.04.340(H)(1-3): Flyte does not allow anyone under the age of 21 on the premises, nor employ anyone under the age of 21 to work in our business, which includes serving as a driver for our delivery service. Notwithstanding SMC § 7.04.340(H)(1), customers between 18 and 20 years old will be allowed on the premises if they can produce a valid physician's recommendation or a medical marijuana card issued under Health and Safety Code Section 11362.71. In this case, these customers may purchase cannabis for the sole purpose of addressing their medical needs subject to their valid physician's recommendation. Each entrance to the facility has a clear and legible sign posted stating that no one under the age of 21 years is permitted to enter Flyte's premises.

SMC § 7.04.340(I): Flyte incorporates odor control devices and techniques to ensure that odors from cannabis are not detectable anywhere off-site and in any interior common areas, including walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as Flyte. We also provide sufficient odor-absorbing ventilation and exhaust systems, which include an exhaust air filtration system installed at our facility to keep odors from being emitted outside and carbon filters in the exhaust system that maintain negative pressure within the facility to deter cannabis odor emission.

SMC § 7.04.340(J): The original copy of the Cannabis Business Permit issued by the city under Chapter 7.04 and the City-issued business license are posted inside the facility in a location readily visible to the public.

SMC § 7.04.340(K): Every person listed as an owner, investor, manager, supervisor, employee, contract employee or who otherwise works at Flyte has submitted fingerprints and other information necessary deemed by the Sheriff's Department for a background check by the Sheriff's Department and/or its agents and employees to verify that person's criminal history pursuant to the requirements of SMC § 7.04.340(K).

SMC § 7.04.340(L): We prohibit loitering by Flyte's facility and within 100 feet of the premises. We will promptly notify the Sheriff's Department if anyone continues to loiter around the building or premises after all reasonable action has been taken to remove the individual(s) and the action has failed to do so in a timely manner.

SMC § 7.04.340(M): We will obtain all applicable planning, zoning, building, and other applicable permits from the relevant government agency that may apply to the zoning district in which we intend to operate under SMC § 7.04.290 and all applicable requirements in Chapter 7.04 before attempting to establish Flyte's operations.

SMC § 7.04.340(N): Flyte has established minimum training standards for all employees and will implement other training as required by the City Manager for its operations should the City identify deficiencies or non-compliance issues with City or state requirements.

SMC § 7.04.360 OPERATING REQUIREMENTS FOR RETAIL STORE FRONT FACILITIES: See below for further detail regarding our efforts to comply with the additional operating requirements promulgated by the SMC:



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SMC § 7.04.360(B): Flyte verifies the age and all necessary documentation of each individual to ensure that they are not under 18 years of age. If the potential customer is between 18 and 20 years old, Flyte confirms the customer's possession of a valid doctor's recommendation and/or Health and Safety Code Section 11362.71 identification card (medical marijuana card). We also verify the age of all adult-use customers to ensure that anyone under the age of 21 is not permitted on the premises.

SMC § 7.04.360(C): We require that all individuals present their government-issued identification and/or physician's recommendation or medical marijuana card in order to gain access to Flyte's facility and to make purchases at the point-of-sale station. Flyte prohibits any physician from evaluating patients in order to issue a medicinal cannabis recommendation or medicinal cannabis identification card at our retail locations at any time.

SMC § 7.04.360(D): Uniformed licensed security personnel contracted by ArmorTech Security are employed to monitor site activity, control loitering and site access, and serve as a visual deterrent to unlawful activities. All security personnel are at least 21 years old and licensed by the State of California Bureau of Security and Investigative Services and consistently comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code.

SMC § 7.04.360(E): Flyte only carries that quantity of cannabis and cannabis products to meet the daily demand readily available for sale on-site in its retail sales area. All additional products are stored in a secured, locked Limited Access Area to which customers, vendors, and visitors do not have access.

SMC § 7.04.360(F): Restrooms at Flyte remain locked at all times, unless management authorizes its use.

SMC § 7.04.360(G): We only serve customers within our retail facility or at a delivery address that meets the requirements of Chapter 7.04.

SMC § 7.04.360(G)(1): Flyte does not sell or deliver cannabis goods through a pass-through window or a slide-out tray to the exterior of our premises.

SMC § 7.04.360(G)(2): Flyte does not operate as or with a drive-in or drive-through where cannabis goods are sold to individuals inside or about a motor vehicle.

SMC § 7.04.360(G)(3): Cannabis goods are never sold and/or delivered by any means or method to anyone inside a motor vehicle.

SMC § 7.04.360(G)(4): All cannabis goods that are sold are sealed inside child-resistant packaging.

SMC § 7.04.360(G)(5): Flyte records point-of-sale areas and areas where cannabis goods are displayed for sale on the video surveillance system. Each point-of-sale location has a camera placed that allows for the recording of the purchase and sale of cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.

SMC § 7.04.360(H)(1): Access to Flyte's premises is limited to individuals who are 21 years or older.

SMC § 7.04.360(H)(2): Access to the premises is only granted to individuals who are between 18 and 20 years old if they have a valid physician's recommendation and are purchasing medicinal cannabis consistent with the physician's recommendation.

SMC § 7.04.360(I): Adult-use cannabis, adult-use cannabis products and Medicinal cannabis are sold to individuals who are at least 21 years and older. Medicinal cannabis or medicinal cannabis products are sold to individuals between 18 and 20 years old only if they have a valid physician's recommendation.

SMC § 7.04.360(J): We have established Limited Access Areas that only authorized individuals are allowed to enter. Authorized individuals include Flyte employees and any outside vendors, contractors, or other individuals conducting business that require access to the Limited Access Areas. We ensure that all individuals granted access to the Limited Access Areas are at least 21 years of age and are escorted at all times by an Flyte employee. We maintain a log of all individuals who are not employees and are granted access to the Limited Access Areas. These logs will be made available to the City Manager or the Sheriff's Department upon request.



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SMC § 7.04.360(K): Our public operating hours are limited between nine (9) A.M. and nine (9) P.M., seven days a week.

SMC § 7.04.360(L): We understand that all provisions incorporated within SMC § 7.04.320, Security measures, are directly applicable to and binding on all Flyte's operations.

SMC § 7.04.370 RETAILER, NON-STORE FRONT RETAILER, AND MICROBUSINESS DELIVERY REQUIREMENTS:

SMC § 7.04.370(A): Flyte always ensures that each customer's age and necessary documentation are verified. We verify that medical customers are at least 18 years old and have valid doctor's recommendations before granting access to our facility. We also ensure that all adult-use customers are at least 21 years and older. Flyte prohibits any physician from evaluating patients in order to issue a medicinal cannabis recommendation or medicinal cannabis identification card at our retail locations at any time.

SMC § 7.04.370(B): We will obtain a permit from the City of Santee before conducting retail sales or deliveries in the City.

SMC § 7.04.380(A-E) RETAILER, NON-STORE FRONT RETAILER AND MICROBUSINESS DELIVERY VEHICLE REQUIREMENTS: We provide the following information to the City before commencing delivery operations: (1) Proof of ownership of the vehicles or a valid lease for any and all vehicles that are used to deliver cannabis or cannabis products; (2) The year, make, model, color, license plate number, and numerical vehicle identification number (VIN) for all vehicles used to deliver cannabis goods; (3) Proof of insurance as required in SMC § 7.04.300(B) for all vehicles used to deliver cannabis goods; (4) The information required by SMC § 7.04.380 in writing for any new vehicle that will be used to deliver cannabis goods before using the vehicle to deliver cannabis goods; and (5) Any changes to the information required by SMC § 7.04.380 in writing within 30 calendar days.

SMC § 7.04.420 OPERATING REQUIREMENTS FOR DELIVERY SERVICES: Flyte completes the following requirements before commencing its delivery operations:

SMC § 7.04.420(A): Obtained from the City a permit authorizing the delivery of cannabis and cannabis products within the City limits. We require all drivers employed by Flyte to carry a copy of this permit while making deliveries.

SMC § 7.04.420(B): Provided the City Manager with evidence of a valid state license authorizing Flyte to perform its delivery operations.

SMC § 7.04.420(C): Furnished to the City Manager the year, make, model, license plate number, and numerical vehicle identification number (VIN) for any and all vehicles that are or will be used to deliver cannabis goods.

SMC § 7.04.430 PERMISSIBLE DELIVERY LOCATIONS AND CUSTOMERS: See below for further detail on how Flyte complies with the requirements set forth by the City regarding its delivery operations:

SMC § 7.04.430(A): Flyte does not deliver cannabis goods to an address located on publicly owned land or any address on land or in a building leased by a public agency.

SMC § 7.04.430(B): Flyte consistently complies with all requirements of state and local law pertaining to the Cannabis Business Permit and all subsequent policies, procedures, regulations, and any amendments made by the City Manager to SMC § 7.04.

SMC § 7.04.430(C): We never utilize kiosks, iPads, tablets, smart phones, fixed locations, or technology platforms, manned or unmanned, other than our retail location permitted by the City, to facilitate, direct, or assist retail sale or delivery of cannabis or cannabis product at any time.

SMC § 7.04.460 COMMUNITY RELATIONS: See below regarding how Flyte establishes relations with the surrounding community as well as provides support:



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SMC § 7.04.460(A): Flyte will provide law enforcement and all neighbors (businesses and residences) within five hundred (500) feet of our business with the name, phone number and email of our on-site Community Relations Liaison (Community Relations Officer) to notify if there are operational problems with its establishment. This exceeds the minimum requirements of a 100-foot notification radius promulgated by SMC § 7.04.460. Our Community Relations Officer will respond to any complaints within forty-eight (48) hours of receipt of such complaints.

SMC § 7.04.460(B): During the first year of operation, Flyte's Owner, Manager and Community Relation Officer will attend all meetings as deemed necessary with the City Manager and other interested parties to discuss costs, benefits, and any community issues that arise as a result of implementing SMC § 7.04. Flyte's Owner, Manager and Community Relation Officer will continue to meet with the City Manager after the first year of operation as requested by the City Manager.

SMC § 7.04.460(C): We have developed and actively implemented a City-approved public outreach and educational program for youth organizations and educational institutions that outlines the risks of youth addiction to cannabis and identifies resources available to youth related to drugs and drug addiction.

SMC § 7.04.310 RECORDS AND RECORDKEEPING: See below for details regarding recordkeeping.

SMC § 7.04.310(A): Flyte maintains accurate books and records in an electronic format, detailing the revenues and expenses of our business at Santee, and all of our assets and liabilities for at least seven (7) years. At least once a year, or at any time upon request by the City, Flyte will file a sworn statement detailing the revenue and number of sales during the previous twelve-month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement will also include gross revenues for each month, and all applicable taxes paid or due to be paid. On an annual basis, Flyte will submit to the City a financial audit of the business' operations conducted by our independent CPA.

SMC § 7.04.310(B): Flyte maintains a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in Flyte, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by Flyte. This register will be provided to the City Manager upon request.

SMC § 7.04.310(C): Flyte maintains inventory control and reporting systems using Meadow POS software that accurately documents the present location, amounts, and descriptions of all cannabis products for all stages of the growing, production, manufacturing, retail, and laboratory testing processes (as applicable) until purchase as set forth in the MAUCRSA. Meadow integrates with Metrc to create an inventory management platform with double verification and seamless integration. All required data points are first entered into Meadow, which automatically updates data in our Metrc account.

SMC § 7.04.320 SECURITY PROCEDURES: See below for details regarding compliant security procedures.

SMC § 7.04.320(A): Flyte implements sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products and to deter and prevent the theft of cannabis or cannabis products at the facility. The specific security measures are identified and outlined in the operations plan. See **C.3. Operational Security** in **SECTION C: SECURITY PLAN** for details regarding our Operational Security – Compliance Overview.

COMPLIANCE OVERVIEW – STATE REGULATIONS: Flyte meets and exceeds the requirements of state regulations for track and trace, inventory, returns, destruction of products, waste management, environmental sustainability, records retention and various other operational requirements. Our SOPS are compliant with Division 10 of the California Business and Professions Code (§§ 26000-26325), which is further clarified with additional provisions for cannabis businesses codified as MAUCRSA within the California Code of Regulations (CCR). Our ownership team is comprised of experienced individuals who currently operate and manage other licensed commercial cannabis businesses throughout California, and we are applying this experience in Santee. The following summarizes our commitment to compliance with key provisions of state regulations and how we exceed some of its minimum requirements.

Operational Requirements - Track and Trace (BPC §§ 26067 – 26069; 4 CCR §§15034, 15049, 15049.2, 15050, & 15051): We utilize Meadow POS software for electronic tracking and storage of required sales records, delivery manifests and inventory that exceed the minimum track and trace requires promulgated by the Department of Cannabis Control (DCC).

SECTION A: BUSINESS PLAN



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Meadow integrates with Metrc to create an inventory management platform with double verification and seamless integration. All required data points are first entered into Meadow, which automatically updates data in our Metrc account. These state regulations comprise the foundation of our track and trace SOPs, which have been implemented in our 2 California facilities without any events of inventory loss, major discrepancy or diversion event.

Operational Requirements - Inventory (4 CCR §§ 15034, 15049, 15052.1, 15423 & 15424): Our robust inventory management control and reporting system allows us to account for all cannabis goods in possession at any given time while preventing the theft and diversion of these cannabis goods to minors and/or the illicit market. This applies mainly to significant discrepancies in inventory, track and trace reporting, acceptance or rejection of shipments. These regulations comprise the foundation of our inventory management SOPs, which have been implemented in our 2 licensed California facilities without any events of inventory loss, major discrepancy or diversion.

Operational Requirements - Waste Management (4 CCR § 17223 & Division 30 of the Public Resources Code): Flyte stores, manages and disposes of cannabis waste in accordance with waste management laws. This entails the following core principles: (1) Secured waste storage is separate from cannabis product storage and traditional waste; (2) Waste must be rendered unusable and unrecognizable prior to disposal; and (3) Waste is tracked per 4 CCR § 15049(b)(5). These regulations comprise the foundation of our waste management SOPs, which have been implemented across our Owners' two (2) licensed California facilities without any waste-related adverse events.

Operational Requirements - Security (4 CCR § 15042-15047): All Flyte security operations are conducted within the scope of compliance with these and additional regulations. This includes rigorous policies and procedures for Premises Access Requirements, the Licensee Employee Badge Requirement, Video Surveillance System and balancing state compliance with integration with City surveillance systems, Security Personnel, locks and the alarm system. These regulations comprise the foundation of our security SOPs, which have been implemented across our Owners' 2 licensed California facilities without any security breaches, theft, loss or other serious adverse event.

Operational Requirements - Purchase Limits (4 CCR § 15409): We adhere to all state-imposed purchase limits to ensure compliance and facilitate public health. These regulations comprise the foundation of our transactional SOPs, which have been implemented in our Owners' two (2) operational licensed California facilities without any customers exceeding their purchase limits. We advise customers of daily purchase limits set by State law.

Operational Requirements - Recall (4 CCR § 17226 – 17227): We adhere to all voluntary and mandatory recalls for cannabis that has been discovered to be misbranded, deteriorated, adulterated, contaminated or any other negative effects. Recalls can happen at any point in time and in various parts of the supply chain and we are always ready to enact our recall procedures. These regulations comprise the foundation of our recall SOPs, which have been implemented in our Owners' two (2) licensed California facilities without any adverse events.

Operational Requirements – Quality Assurance, Inspection, Testing (BPC §26110; 4 CCR § 15711-15735): We maintain compliance with all testing requirements throughout the supply chain. These regulations comprise the foundation of our testing SOPs, which have been implemented in our Owners' two (2) licensed facilities without any events of untested or non-compliant products being sold.

Operational Requirements - Posting and Advertising (4 CCR § 15039–15041.7): We prominently display our local commercial cannabis business license and DCC state license in plain sight for all customers where it can also be viewed by state and local agencies. We only deploy marketing and advertising efforts after we have obtained reliable up to date composition data demonstrating that 71.6% of the audience viewing the advertising or marketing is reasonably expected to be 21 years of age or older. Flyte's marketing and advertising does not use depictions of minors under the age of 21, does not contain the use of objects such as toys, inflatables, movie characters, cartoon characters of any other display, depiction or image designed in any manner to likely be appealing to minors under the age of 21, does not advertise free cannabis foods or product giveaways such as buy one get one, free products with donations or contests/ sweepstakes. We never sell or transport cannabis goods that are labeled as beer, wine, liquor, spirits, or any other term that may create a misleading impression that the product is an alcoholic beverage. We use age affirmation to verify that all recipients of direct, individualized communication are 21 years of age or older. We also verify this information before adding any potential



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customers to our mailing lists or subscriptions to receive further direct marketing materials. These regulations and prohibitions comprise the foundation of our marketing and advertising SOPs, which have been implemented in our Owners' two (2) licensed California facilities without any violations.

Retail Operational Requirements (BPC §§ 26070 – 26071; 4 CCR § 15402-15413): All Flyte retail operations are conducted within the scope of compliance with local, state, federal and additional regulations. These regulations are woven into the framework of all Business Plans, Operating Plans and SOPs. Operational topics for Retail SOPs include age and ID verification, check-in procedures, processing transactions, customer service, opening and closing procedures, cash handling, recall, customer education, track and trace, purchase limits, cannabis discounts and various other topics that comprise day-to-day operations in a cannabis retail storefront environment. These state regulations comprise the foundation of our retail SOPs, which have been implemented across 2 licensed California facilities without any citations or violations.

Delivery Operational Requirements (BPC § 26090; 4 CCR § 15414-5427): All Flyte delivery operations are conducted in compliance with local, state, federal and additional regulations. These regulations are woven into the framework of all Business Plans, Operating Plans and SOPs. SOP topics include, but are not limited to, delivery employees, deliveries facilitated by technology platforms, delivery to a physical address, cannabis goods during delivery, delivery request receipt, and retailer premises-to-retailer premises transfer. These regulations are the foundation of our delivery SOPs, which have been implemented across our 2 licensed California facilities without any serious adverse events.

Protection of Minors (BPC § 26140): We understand the sensitive nature of our business and the associated responsibility we have to protect minors from exposure to cannabis and insulate them from its potentially negative qualities. This includes rigorous measures to keep cannabis products out of the hands of youth, public health outreach and education to local families about preventing access to cannabis, collaboration with local organizations and stakeholders to further advance our understanding of the local landscape, marketing and advertising protocols that ensure our public-facing communications to do not appeal to youth, and many other best practices to protect minors. All of this is amalgamated in our Youth Protection Plan, which is further described in **SECTION E: NEIGHBORHOOD COMPATIBILITY PLAN**.

Medical Cannabis Patients' Right of Access (BPC §§ 26320 – 26325): We resoundingly support our medical cannabis patients at all of our stores and never institute any policy or procedure that prohibits their access to medical cannabis. Our compassion program and all associated events are conducted within the compliant supply chain while facilitating access to medical cannabis for these individuals.

Compliance Audits: Flyte, its owners, and staff all recognize that the cannabis industry is continually evolving. This means that regulations, including local and state laws, are in a constant state of flux. Accordingly, Flyte's Chief Compliance Officer and general counsel is responsible for constantly monitoring the legal landscape of the state and all jurisdictions in which we operate and shall update our Standard Operating Procedures and facility protocols to ensure sustained compliance in the face of fluctuating regulations.

A.2.G. TRACKING & MONITORING PRODUCTS TO PREVENT DIVERSION

Meadow POS works with Metrc to maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the retail process until purchase. We use Meadow POS and Metrc programs to record the following information for all cannabis goods we carry in our inventory at any given time: (1) A description of each item such that the cannabis goods can easily be identified; (2) An accurate measurement of the quantity of the item; (3) The date and time the cannabis goods were received; (4) The sell-by or expiration date provided on the package of cannabis goods, if any; (5) The name and license number of the licensed distributor or business that transported the cannabis good; (6) The price paid for cannabis goods, including taxes, delivery costs, and any other cost (4 CCR § 15423); and (7) Any other information required by local or state law (4 CCR § 15423).

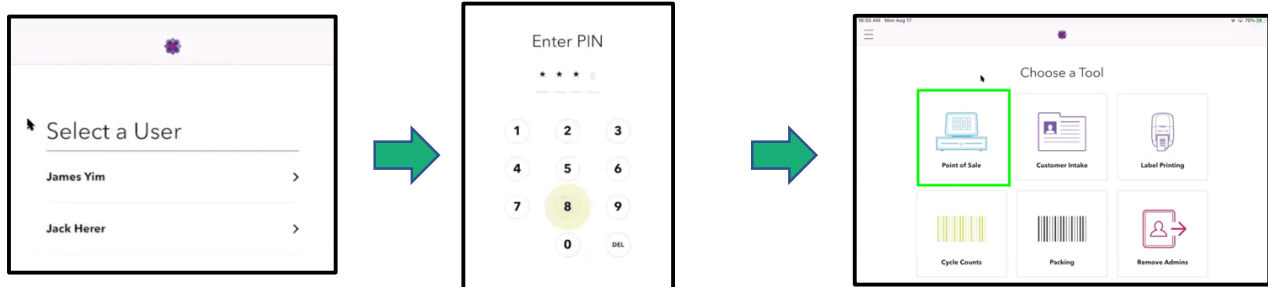
Meadow POS - Processing Transactions: Meadow POS helps us process transactions with knowledge of products' exact location on the premises, the amount of inventory of specific products held onsite and associated data to help us track products as they are removed from inventory as part of a customer's order. The procedural description below offers insight into how we use Meadow POS to process transactions and track products to prevent diversion.



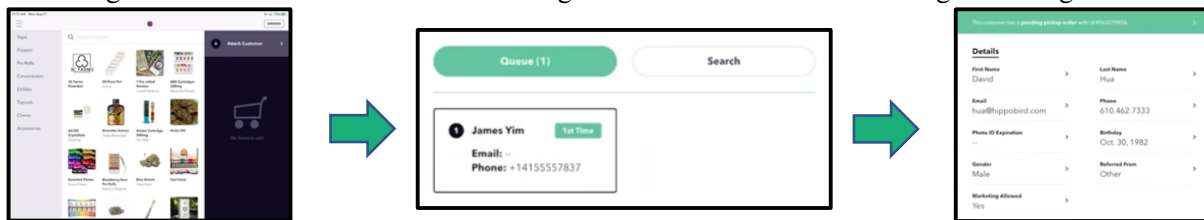
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Step 1: Cannabis Consultants are required to sign into the Meadow platform using a unique Personal Identification Number (PIN) that allows us to monitor all activity they conduct throughout their shift and assign transactions and inventory events to their account. To access the POS module, Cannabis Consultants navigate to the sign-in screen where they are then prompted to select their account from a list of users, enter their PIN and navigate to the “Choose a Tool” screen where they will select the “Point of Sale” module.



Step 2: Cannabis Consultants are then brought to the home screen where they can view all available products and begin creating the customer’s order. Cannabis Consultants select “Attach a Customer” and are then brought to the Customer Queue. Members who have been added to the ‘Customer Queue’ are populated in chronological order from when the customer was checked in at Secure Check-In. When Cannabis Consultants select a customer, a window appears to display all of their personal information, such as name and date of birth, and any associated documentation required for verification i.e., government-issued identification and/or medical recommendation. Cannabis Consultants can also edit any contact information or any other information at the customer’s request. Cannabis Consultants select the customer from the queue after validating all their information and are then brought back to the home screen to begin building the client’s order.



Step 3: Cannabis Consultants can quickly familiarize themselves with the client purchase history by clicking on their name in the top right corner of the sales screen to view a summary of their individual profile. The summary includes key information about the client such as past orders, accrued rewards dollars, relevant discounts and customer notes. Favorite products automatically populate based on purchase history. If a patient is associated with a caregiver and both are checked in, a toggle will display allowing us to select whether the caregiver is attached to the sale.

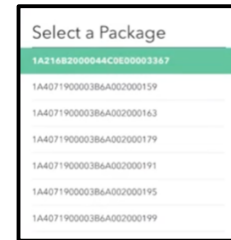
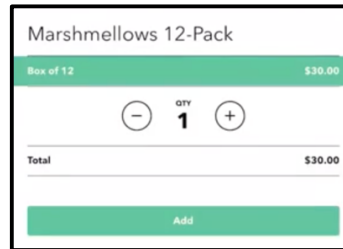
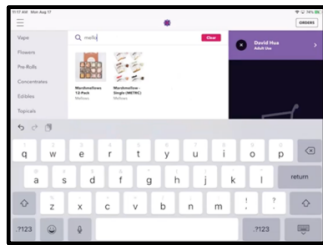
Step 4: From the sales screen, Cannabis Consultants either scan product barcodes or manually select products from the menu to add them to the order using the integrated Meadow POS hardware. If they don’t have immediate access to a barcode scanner or their retail label isn’t scanning properly, they can quickly search the entire menu by entering the product information into the search bar to narrow down the results. The “Categories” feature allows them to manually search the menu by product type and is a helpful tool for making specific recommendations. Clicking on products pulls up information specific to that item, including attributes and lab results (if available), product sizes, flavor options, etc., and the amount we have left in live inventory (if configured).

Step 5: Cannabis Consultants select size and quantity of each product and tap “Add to Cart.” This adds the product as a line item to the current order. If the customer decides they want more/less of a product after it’s been added, changes can be made to quantities and/or sizes by clicking the “+” or “-” buttons on the left-hand side of the line item.



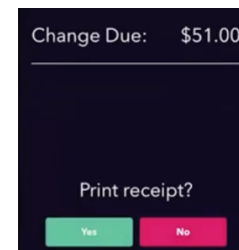
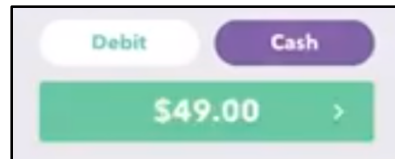
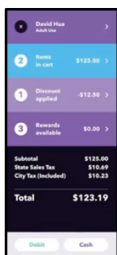
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Step 6: Cannabis Consultants can apply additional discounts by clicking the “Discount” button. For increased accountability, these can be configured to require a manager’s PIN. If an item has automatic discounts attached to it, this will display in the “Discount” column, along with the name and specifics about the discount. The discount pop-up is specifically configured to include our full rewards program discounts and show the full details to both Cannabis Consultants and customers upon request. Highlighting a product in the shopping cart by clicking on it causes item-based discounts to become available, while entire cart discounts are greyed out. Clicking away from the line item allow cart discounts to become available again.

Step 7: Once the order is complete, Cannabis Consultants click return to the order summary, review the order with the client and confirm their payment method. Cannabis Consultants select “Debit” or “Cash” and are then brought to the payment screen where the client is prompted to submit payment. Clients also have the option to use their loyalty rewards points at this time to reduce their cost of their purchases, and in some cases, an entire order may be paid for using loyalty points. For cash payments, the Cannabis Consultant has the option to input the amount of cash received, allowing Meadow to generate an exact change amount to avoid pitfalls in cash management protocols.



Step 8: Cannabis Consultants remit change and can either print or email a receipt to complete the sale.

Purchase Limits: MAUCRSA limits the amount of cannabis that can be sold to Adult Use customers. Meadows shows how close each customer is to reaching their daily purchase limit to maintain compliance with these limits. To view purchase limit information for a given order, Cannabis Consultants simply click the Purchase Limits button at the top of the cart. Meadow prevents Cannabis Consultants from overselling certain types of products to different customers; if the amount of products added to a customer's cart exceeds their daily limits, the system will block Cannabis Consultants from checking out.

Receiving Inventory: See above under *A.2.B. Location and Procedure for Receiving Deliveries* for further detail on inventory control with respect to receiving deliveries.

Inputting New Inventory: Once all inspection and administrative requirements are met, the received product is inventoried in Vendor Intake (Limited Access Area) and entered into Meadow as inventory received; the delivery manifest is also uploaded into Meadow as an attachment.



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Inventory Audits (Cycle Counts): Cycle counts are used to confirm product quantities and detect discrepancies. This is a way to ensure that the physical count of different products onsite matches the quantities for each product listed in Meadow. There are three different statuses for cycle counts: (1) Submitted; (2) Open; and (3) Closed. Submitted means that the physical count is complete and the count is awaiting review by a member of leadership before finalizing the inventory audit. Individuals that are authorized to sign off on an Inventory Audit include the General Manager, Inventory Manager and a member of the C-Suite. Any discrepancies in the count can be viewed in real-time and can be sorted from largest to smallest. A cycle count can be re-opened to make adjustments if any inaccuracies are discovered. Meadow is also able to identify conflicts between a physical count and the platform's count, such as a situation where a product that was counted during an inventory audit was sold by a Cannabis Consultant before the count was completed. We aim to conduct cycle counts during non-operational hours or off-peak hours to avoid any discrepancies of this nature. Once an authorized member of leadership reviews the Cycle Count they can close the audit so Meadow updates and reflects all of the changes made. If there are any questions of accuracy after the audit has been closed, we can use the "Inventory Transaction" page to create a historical record of all audits, transfers and any other inventory events.

The screenshot shows the 'New Cycle Count' form with fields for Name, Inventory Location, and Primary Category. Below the form is a table titled 'Cycle Counts' with columns for Cycle Count, Status, Location, Category, Items, and Date. The table lists three cycle counts: 'Topicals count', 'Edibles count', and 'Starting count'.

Cycle Count	Status	Location	Category	Items	Date
Topicals count	Open	Default Location	Topicals	1	05/28/21
Edibles count	Open	Default Location	Edibles	2	05/27/21
Starting count	Submitted	Default Location	All	1	10/12/18

Adjusting Inventory: While the need for inventory adjustments is quite rare, Meadow allows us to manually change inventory numbers depending on certain events throughout daily operations such as product damage or designation as waste due to expiration. For example, if a Cannabis Consultant drops a glass jar and compromises the product's packaging, Meadow allows us to make an inventory adjustment to remove that product from inventory while maintaining the chain of custody. This ensures that we accurately document the existing quantity of products held onsite that are both for sale and that have been removed from the internal supply chain.

Creating New Stock Keeping Units (SKUs): Meadow provides the added benefit of automating (SKUs). The software assists with creating a strong product naming convention consistent with Metrc's pre-set product profile categories, which allows packaged units to be micromanaged within the vendor's internal network while maintaining Metrc compatibility for all products and product categories.

Document Verification & Storage: Meadow's POS system allows for creation of a unique client. The system requires the input of client information, including: (1) Scanned government ID; (2) Date of birth; (3) ID expiration; and (4) Contact information. The database assigns client ID numbers for internal tracking and state sales reporting and saves this information in full member profiles so expiration dates and other information are easily accessible by staff. Data sets are backed up on an encrypted high-capacity hard drive with password protection and accessibility only for authorized management.

Receipts: Meadow includes customization of all printed materials, product labels, and receipts, enabling staff to comply with all local and state regulations related to labeling and packaging quickly and easily. Integrated hardware allows customers to choose a printed receipt and/or email receipt.

Returned Products: All returns are designated in Metrc as having been purchased from our retail storefront or delivery service. Product complaints are documented and sent to both the distributor and supplier of origin. No returned product may be resold. Returned products are documented in Meadow and Metrc. All returned product is properly destroyed in compliance with local, state and federal regulations and in alignment with internal waste management cannabis SOPs.

Manual Track and Trace Procedures: Meadow includes a built-in offline sales processing mode that enables continuous access to critical functions even when internet connection is unavailable. Once connectivity is restored, all transactions performed in offline mode are automatically synchronized with Metrc, the data is automatically backed up and reports and inventory records are adjusted accordingly.



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Filing a Metrc Report: We submit daily reports with specified data from all commercial cannabis activity including every sale, receipt, return, and disposal of cannabis products by 11:59PM of the day on which it occurred. All required data points are entered into Meadow and automatically updated in our Metrc account; all transactions are accounted for within 24 hours and any discrepancies are reported to the Department immediately (4 CCR § 15049(b)).

Delivery Records: Meadow and OnFleet offer a two-pronged solution to logistics and recordkeeping for deliveries. Flyte uses OnFleet to maintain accurate and current records of the company's delivery employees to be made available to authorized personnel upon request (4 CCR § 15415(g)). OnFleet also includes a GPS Tracking system to ensure the targeted delivery location is a physical address falls within a jurisdiction that permits commercial cannabis activities. After the transaction, Delivery Drivers keep a signed copy of the delivery request receipt for OnFleet's records in accordance with State Law (4 CCR § 15420) and upload the receipt into Meadow as an attachment.

A.2.G.I. DIVERSION PREVENTION

One of our main priorities is to keep cannabis goods within the complaint supply chain and prevent the diversion of cannabis goods to minors and the illicit market. We incorporate various best practices developed by local, state and federal agencies into our SOPs for diversion prevention, and our Meadow POS plays an integral role in diversion prevention. Specifically, we have consulted the Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use, American Society of Health System Pharmacists Guidelines on Preventing Diversion of Controlled Substances and various provisions within Title 21 of the Code of Federal Regulations (CFR) promulgated by the Drug Enforcement Administration's (DEA) Diversion Control Division.

It is the responsibility of any store employee that witnesses or suspects criminal activity to report this information to management. In the event of any discrepancy between the weight of cannabis dispensed, stored, and/or accounted for, members of management will immediately perform an internal audit to determine the source of the discrepancy by viewing videotape, reviewing store logs, and creating a missing inventory report using Meadow POS. If it is determined that the discrepancy is due to theft or diversion, the manager will immediately notify senior management. Management will cooperate with any law enforcement investigations or directives. Management will cordon off any area of the store that is critical to the investigation and preserve the area until investigators arrive. Below are some procedural and cultural initiatives we take using our inventory tracking and monitoring system to prevent diversion:

Meadow POS Profiles: Employee-specific Metrc and Meadow profiles are utilized to continuously monitor inventory levels for ongoing detection of theft/diversion. Since regular inventory and supply chain tracking is crucial to preventing diversion, a designated on-site manager manually performs inventory on a weekly basis to verify product count accuracy. The inventory log is completed and signed by a manager at the completion of inventory check.

Inventory Management & Control: Inventory discrepancies observed in Meadow POS are addressed immediately and resolved prior to incoming/outgoing product transactions; if not sufficiently resolved, discrepancies are reported to the City Manager and Department of Cannabis Control within 24-hours of discovery.

Recordkeeping: Records are kept for at least seven (7) years, in Meadow POS and Metrc databases and hard copy format, including each day's beginning inventory, acquisitions, sales, disbursements, disposals, transfers, and ending inventory, which are readily accessible. We can call upon records at a moment's notice if we suspect any customer or employee is engaged in activity that could lead to cannabis ending in the hands of consumers under the age of 21.

Auditing: Cash Registers at POS stations are never open unless a transaction is being processed. Cashier register totals are balanced at the end of the day and prior to shift changes. Any overages or shortages must be fully explained by cashiers. The overage and shortage dollar limits and the frequency of occurrences are documented with corrective action per site policy. All transaction corrections are approved by management and marked on the journal tape of the cash register. We perform periodic cash register audits randomly and unannounced. Management is responsible for shift and end-day reconciliation reports and shall immediately report any suspected diversion.

Personnel Management: Positions that provide access to accounting and financial records are subject to high-level background checks, covering credit history and encounters with local, state and federal law enforcement. Product and cash



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handling assignments involving high level Meadow data are given to established employees instead of new hires. Applicants with inconsistencies in resumes or interviews will be considered of expressing questionable character and will no longer be provided further consideration.

Checks and Balances: Flyte utilizes a system of checks and balances with additional monitoring for employees in sensitive positions regarding access to cash and financial records. A buddy system involving at least two employees is required for such access. Personnel involved in two-person systems will be rotated periodically. Procedures that call for voiding sales and issuing customer refunds require approval by a supervisor or manager. Bookkeeping and accounting ledgers will be maintained by a team of employees instead of one and subject to unannounced audits.

Waste Management: Trash and recycling removal routines/responsibilities will be designed to eliminate theft via disposal and recycling systems. Such process includes disassembling and flattening all boxes, using clear garbage bags and securing dumpster location where employees have one-way entry/exit. See **A.2.H. Waste Management Plan** below for more details.

Diversion Training: All Management is required to complete FEMA IS-200: Basic Incident Command System for Initial Response and FEMA IS-916: Theft & Diversion.

Additional Measures for Diversion Prevention: We maintain inventory control and product security as top priorities. All employees and contractors strictly adhere to Flyte policies and procedures, or disciplinary/removal measures are taken in the event of an inventory-related violation. Flyte implements the following policies and procedures to secure all product and ensure that none is lost or diverted to individuals who are not authorized to possess it: (1) Employees must be physically present in the Retail Area at all times when there are patrons, visitors or other individuals who are not employees present with oversight from the General Manager; (2) During business hours, a minimum quantity of products is maintained in the Retail Area in locked cabinets, and containers and only removed for short periods of time by sales personnel in order to show customers and to complete a sales transaction; (3) Flyte staff only make one sample available to a given customer at a time. This helps staff monitor the products that have been removed for sampling purposes; (4) Flyte staff takes orders from patrons and fulfills orders in a secure area behind the retail counter. This prevents excess product from being stored where patrons are allowed; (5) Cannabis good are never visible from the exterior of the building or from outside of delivery vehicles; (6) All product display cases are intrusion resistant (e.g. polycarbonate or protected by intrusion resistant film), locked and accessible only by a manager; (7) Employees who handle cannabis product and who are engaged in processing transactions must take responsibility for the product they are handling; and (8) Checks and balances security practices requires that no single employee be allowed unrestricted access to secure cannabis product storage areas or high value assets. Managers monitor and approve the access that employees have to areas where cannabis is stored.

Conducting a Diversion Investigation: We have developed rigorous protocols for investigating suspected or confirmed diversion. This involves tiered investigation and reporting responsibilities with input from Security Consultant, ArmorTech, and local law enforcement. This process can be conducted as a preventative measure to rule out diversion in the event of an inventory discrepancy or to confirm a diversion event carried out by an employee or patron. Below is an excerpt from our SOP for Investigating Diversion:

- 1) The General Manager works with the Security Consultant to record initial information about the situation, and propose scope and nature of the investigation, including information about inventory, accusations or allegations.
- 2) The General Manager and Security Consultant provide this information to the CEO, CSO and COO and set a time within 24 hours to strategize on investigation in a formal meeting.
- 3) Flyte notifies the City Manager, local law enforcement and the DCC as soon as possible within 24 hours of discovery in the event a reportable event (theft, diversion, losses, or other as required) is discovered. See Discovery of Diversion, Theft and/or Loss Notification SOP for this process.
- 4) All parties take immediate action to secure and protect, from destruction or interference, any relevant accounting, administrative, or security records.
- 5) If deemed necessary, Flyte suspends an employee if there is evidence of misuse of resources or if the employee's continued presence may interfere with the investigation.



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- 6) The CEO, CSO and COO review the initial report to determine who should be involved in the initial meeting mentioned in Step 1; this may include an external investigator and/or legal counsel.
- 7) Flyte works with the Security Consultant, local law enforcement and/or legal counsel to record an Investigative Plan that includes the outline from Step 1, a proposed witness list, a requested evidence list (including surveillance), planned interview questions, and a process for retention of documentation. The investigator has the authority to interview employees, contractors, and other witnesses if necessary; to inspect facilities and records; and to request information the investigator deems relevant and necessary to the investigation.
- 8) The Security Consultant implements the Investigative Plan and provide updates to the CEO, COO, CSO and other individuals as required at appropriate time intervals.
- 9) The Security Consultant prepares and reviews a draft report with the other members present during the initial meeting in Step 1. This report includes the scope and nature of the allegations, including dates and times, a record of how and when the incident came to the company's attention, parties involved, key factual and credibility findings (including sources), interviews conducted, evidence reviewed, employer policies/guidelines and applicability to the investigation, conclusion reached, party or parties responsible for final determination, recommendations, and issues that could not be resolved and reasons for lack of resolution.
- 10) If the report is deemed sufficiently complete, Flyte and the Security Consultant determines a course of action. This initial report is submitted to the City Manager, law enforcement and the DCC within 2 days of discovering the event.
- 11) Flyte takes the actions determined in Step 10. Actions may include: disciplinary measures up to and including termination, training programs, modifications to the standard operating procedures, modification to the Security Plan or Security System, or other actions as appropriate.
- 12) Flyte updates the report as necessary from Step 7. The final report must include actions taken and must clearly document a good-faith basis for any actions taken during or as a result of the investigation.
- 13) If this investigation is in response to a reportable event, Flyte provides the final report to the City Manager, law enforcement and the DCC through the appropriate communications channel highlighted in Discovery of Theft, Diversion and/or Loss Notification SOP; This final report shall be submitted to the City Manager and the DCC within 30 days of discovering the discrepancy.
- 14) The Security Consultant follows up with oversight from the CEO, CSO and COO as needed. This includes reviewing surveillance to ensure new SOPs are being implemented correctly, informing other employees of the outcome of the investigation, asking employees for feedback on the investigation or actions taken, or other follow-up as appropriate.

A.2.H. WASTE MANAGEMENT

A robust waste management plan is paramount in ensuring deteriorated, expired, damaged or otherwise defective cannabis is properly disposed of and effectively separated from viable product. Flyte considers product to be deteriorated if it does not sell within 10-days of its internally set sell-by date. When product hits its deterioration date, Flyte contacts the supplier of origin and either allows them to pick up the product from our store and re-inventory through Metrc or works out a deal for product credit and destroys the deteriorated product in compliance with Waste Management procedures. Deteriorated or contaminated product can negatively impact quality assurance outcomes for the rest of our inventoried product and thus must be disposed of quickly and efficiently within the scope of local and state compliance. Our team has researched industry best practices to develop operations that are compliant with the most stringent waste standards for licensed cannabis businesses. Flyte's non-Cannabis waste is gathered, stored, and disposed of in accordance with SMC in its entirety. Further, Flyte adheres to Mandatory Commercial Recycling and Mandatory Commercial Organics Recycling for Organizations and Multi-Family Households recycling requirements. Recyclable materials include bottles/cans, paper/cardboard, scrap metal, electronics, toner/printer cartridges, and miscellaneous recyclables.

Flyte's Waste Management Plan contains the following core principles and initiatives: (1) Flyte obtains all required permits, licenses, or other clearances and complying with all orders, laws, regulations, or other requirements of other regulatory agencies, including, but not limited to, local health agencies, the Regional Water Quality Control Boards, air quality management districts or air pollution control districts, local land use authorities, and fire authorities; (2) The sale of cannabis waste is prohibited; (3) [REDACTED]

For purposes of this section,



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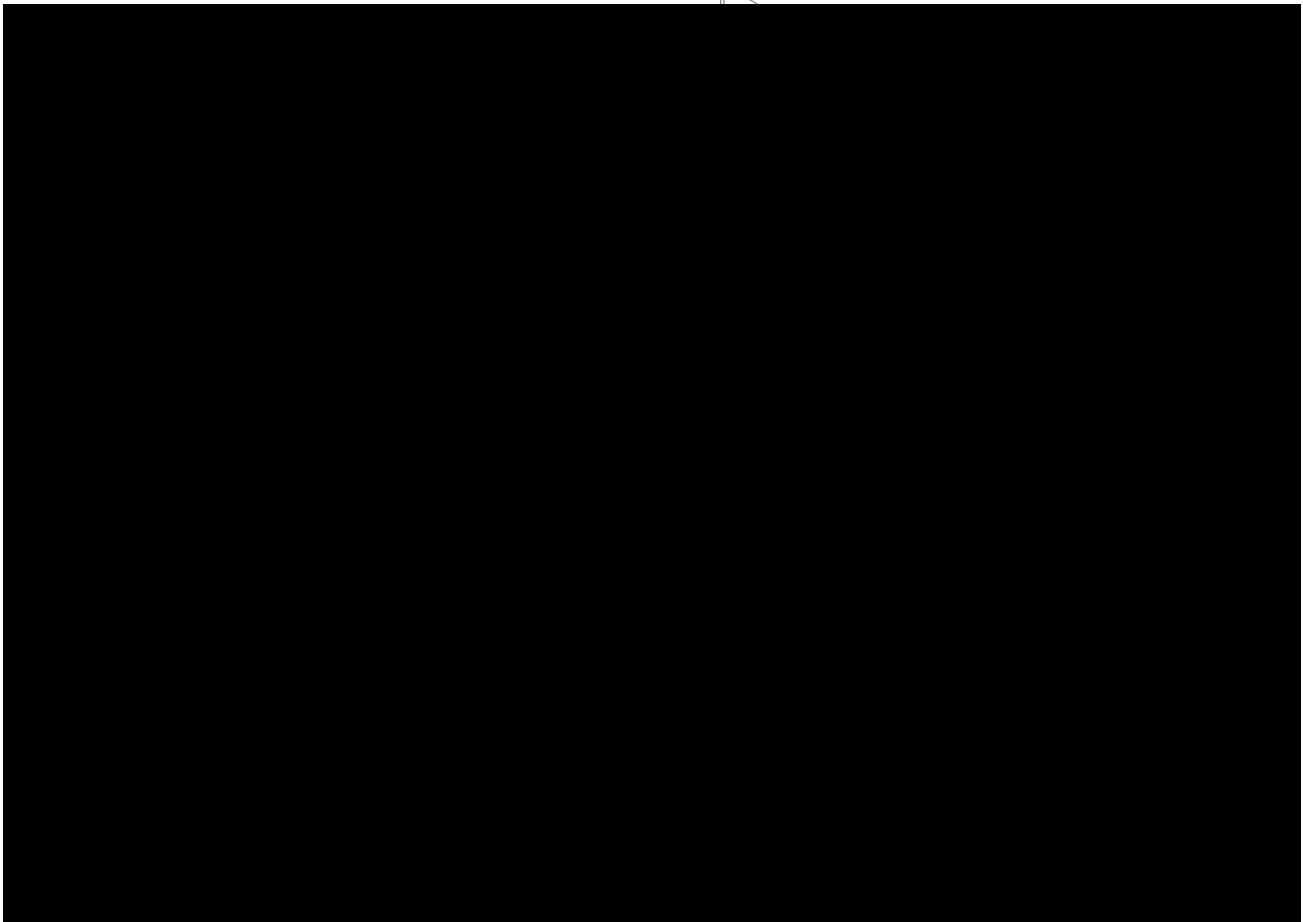
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“secure waste receptacle” and “secure waste area” means that physical access to the receptacle or area is restricted to the permittee, employees of the permittee, or by the local agency or local agency franchised or contracted waste hauler only. Public access to the designated receptacle or area is strictly prohibited; (4) Cannabis waste is primarily managed by Gaiaca Waste Revitalization (GWR), a California-licensed Processor (P); see below under **Waste Management Contractor – GAIACA** for further detail; (5) [REDACTED]

[REDACTED]; and (6) Flyte maintains accurate and comprehensive records onsite regarding cannabis waste that accounts for, reconciles, and provides evidence of, all activity related to the generation and disposal or deposition of cannabis waste.

Flyte complies with the rules of Santee and the State of California regarding disposal of cannabis products. Flyte adheres to the following policies: (1) Flyte will dispose of or destroy any unused, unsold, contaminated, or expired cannabis; (2) Flyte will give primary importance to public safety, compliance as well as environmental impact; (3) Flyte policy assures that, in the process of disposal, cannabis is not available to unauthorized persons; (4) Flyte will use a licensed disposal company or compliant procedures to dispose of cannabis; and (5) GWR synchronizes all waste inputs with Meadow POS to ensure all disposed products are tracked, documented, and subtracted from overall inventory Meadow POS system. Meadow training is a requirement of all Santee employees prior to participating in operational tasks as it is necessary to comprehend active and disposed of inventory weight(s) and amount(s), product reconciliation processes, and all other secure waste disposal aspects. A certified Meadow representative or qualified member of Santee’s internal compliance team deliver all POS education, and certificates of training completion are kept in individual employee files for the City of Santee’s access.

Waste Storage and Disposal Locations: The following diagram displays the locations for waste storage both inside and outside the facility:





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Waste Management Contractor - Gaiaca Waste Revitalization: Flyte has investigated various waste management contractors to aid with the final step of product disposal, waste pick-up and disposal. Flyte is contracting with Gaiaca Waste Revitalization (GWR), a licensed waste management company, to carry out all external waste management procedures; this includes rendering, transporting and disposing. We've had an excellent experience working with GWR at other facilities and look forward to continuing this relationship in Santee.

[REDACTED] GWR's subscription service includes waste rendering, pickup and disposal services, allowing cannabis waste to be removed from the site weekly. Their services allow for us to schedule custom pickups online or through our regionally appointed service contact. [REDACTED]

[REDACTED] We prevent mixing of cannabis waste with traditional waste material at all costs to ensure compliance with GWR's policies. Waste is removed from Flyte's facility within secured bins and replaced with fresh, empty drums. All waste is weighed on site and signed off by the General Manager, rendered unusable and unrecognizable onsite and transported to GWR's waste facility. GWR operations provide for tracked transportation for every step of the disposal procedure after the waste has left Flyte's facility. GWR reweighs all drums upon receipt at their facility to ensure no tampering occurred during transport after which the manifest is signed by a GWR intake officer and the transporter. Flyte receives a copy of this transportation manifest for our records. GWR is committed to taking all non-hazardous cannabis waste to composting facilities where it will be further composted and eventually utilized as a usable topsoil for landscaping or donated for research purposes. All employees are rigorously trained on these SOPs to prevent diversion of cannabis waste. Cannabis waste is always handled in compliance with 4 CCR § 17223, which requires that secured waste storage is separate from cannabis product storage and traditional waste storage, waste be rendered unusable prior to disposal, and that waste is tracked per 4 CCR § 15049(b)(5).

Security Measures: Security is of utmost concern in the disposal process. Our green waste disposal processes and procedures are visually audited implementing both an on-site managing inspector and recorded surveillance video footage. All employees are educated and trained to understand that trash receptacles are common staging areas for cannabis products diversion. Flyte will always use transparent waste bags to discourage product diversion. Flyte creates and maintains a written log to record all destruction and disposal activities. The log includes, at a minimum, the date of destruction, type and quantity of product disposed of, manner of disposal, and persons present during disposal, with their signatures. Under no circumstances is cannabis waste disposed of in a waste receptacle not in control and possession of Flyte. Public access to designated receptacle or area is strictly prohibited. Flyte waste containers are kept in a locked enclosure until the scheduled pick-up and never put out overnight to prevent theft and diversion of cannabis waste or encourage scavenging behavior. Security Personnel monitor waste bins awaiting disposal to ensure no persons tamper with the bins.

Methods of Rendering Unusable and Unrecognizable: Before removing cannabis waste from the premises for disposal, GWR renders cannabis goods unusable and unrecognizable in compliance with State and local laws or regulations. We maintain accurate and comprehensive records at the premises regarding cannabis waste that accounts for, reconciles, and provides evidence of all activity related to generation and disposal or deposition of cannabis waste. Cannabis waste is rendered unusable and unrecognizable through the following methods:

[REDACTED]

SB 1383 Compliance: Flyte maintains compliance with the California Senate Bill (SB) 1383 throughout all waste management operations. SB 1383 is a statewide effort to reduce emissions of short-lived climate pollutants by reducing organic waste disposal to 50% by 2020 and 75% by 2025. Organic waste in landfills emits 20% of the state's methane, a climate super pollutant 84 times more potent than carbon dioxide. By collectively managing organic waste throughout all business activities, Flyte vows to become an active contributor in the fight against climate change. Organic waste designated for disposal by Flyte under SB 1383 includes primarily cannabis waste but may also include: food waste such as fruit,



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vegetable scraps, bones, eggshells and leftover prepared foods; yard waste such as leaves, branches, grass, whole plants and other byproducts of our landscaping maintenance; and food-soiled paper such as napkins, applicable to-go boxes, tea bags, paper plates and coffee filters. Waste items that are prohibited for disposal in the organic waste container at Flyte facilities are designated for recycling or disposal in their own respective waste receptacles include: Glass; Cans or metal; Plastic; Plastic bags; Plastic packaging (Recycled in separate containers when applicable); Pet waste; and anything else not considered organic waste.

Specific Policies: Waste is disposed of utilizing standardized processes to minimize development of odor and reduce the potential for the waste contents becoming an attractant, harborage, or breeding location for pests. Both the front and back-end areas of the facility include designated receptacles and areas for regular trash and green waste that is easily identified and readily available. Employees wear Personal Protective Equipment (work suits, gloves, facemasks, safety goggles) while securely disposing/destroying cannabis and/or cannabis manufactured products. All green waste receptacles are clearly identified. All relevant employees will receive thorough training in the standard operating procedures for secure and safe disposal of cannabis and cannabis product waste.

Non-Cannabis Waste: We always practice the Three R's of Sustainability: Reduce, Reuse, Recycle. Separate recycling containers are placed throughout the facility for both employees and patrons and ensure regular pickups are conducted with ease. Electronic waste is collected and brought to appropriate outlets. We emphasize sustainability internally, but part of being compatible with the neighborhood involves encouraging residents of Santee to be stewards of the environment too. In an effort to promote recycling community-wide, we offer discounts to clients who bring packaging from previous visits back for reuse. Such a program encourages patrons to play an active role in reducing waste in the cannabis industry as well as minimizing packaging waste. Flyte's recordkeeping system incorporates the goal of eliminating paper records in the scope of compliance whenever possible to reduce our overall waste contribution.

Cannabis Packaging Recycling Program: Cannabis packaging can significantly contribute to waste generation when commercial cannabis businesses begin operations in a given community. If the end user does not dispose of used cannabis packaging properly, it can end up being disposed of and integrated into waste streams where it does not belong. Cannabis packaging that contains significant amounts of plastic and non-compostable waste can end up in landfills and have a negative impact on the environment. Flyte has developed and is implementing a packaging recycling program to mitigate this potential issue for the City of Santee and act as environmental stewards in the process. The packaging recycling program will allow customers to return used packaging that does not contain cannabis back to Flyte, Flyte will return the used packaging to the licensed distributor for reuse. Flyte will look to conduct business with as many distributors who accept packaging reuse and returns as possible so that bulky, non-biodegradable cannabis packaging does not end up disposed of.

A.2.I ADDITIONAL DAILY OPERATIONS: STATE TESTING REGULATIONS

All cannabis goods received from licensed Distributors and integrated into inventory must be accompanied by testing results from a licensed laboratory testing facility in the form of a valid Certificate of Analysis (COA) allocated to each batch. Flyte ensures the following prior to accepting transported goods from a licensed cannabis supplier: (1) The COA received from the testing laboratory properly corresponds to the batch; (2) The label on the goods is consistent with the COA regarding cannabinoid and terpenoid content and contaminants required to be listed by law; (3) The weight or count of the batch comports with that in the track-and-trace system as determined by a MAUCRSA approved scale; and (4) All chain of custody transfers are entered into the track-and-trace system. The laboratory is responsible for subsequently notifying distributors and the cultivator and/or manufacturer of origin of the details of the testing results including whether a given batch "passes" or "fails" a laboratory test. A batch is deemed to have "passed" a test when the sample meets requirements and thresholds for all categories promulgated by state law, which include: (1) Cannabinoids; (2) Foreign material; (3) Heavy metals; (4) Microbial impurities; (5) Mycotoxins; (6) Moisture content and water activity; (7) Residual pesticides; (8) Residual solvents and processing chemicals; (9) Terpenoids; and (10) Homogeneity. Pass or fail status must be displayed in the COA for acceptance upon delivery. Additionally, a sample "fails" a laboratory test when it does not meet the specifications of State regulations in one or more of the categories listed above. A batch's testing failure can result either from inconsistent labeling information or because of failure to meet testing specifications. We do not accept any products that are contained in batches that have failed testing. Failure due to non-conformance with testing requirements and



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specifications results after being integrated into our inventory results in the destruction of the product and the return of any remaining product to the Distributor of origin for attempted remediation. If a product is recalled due to discovery of errors in laboratory testing, we follow state-compliant recall procedures that ultimately results in return of the product to our facility followed by destruction and disposal of the product.

Randomized Testing to Confirm COA Accuracy: We conduct randomized testing of cannabis products with an accredited testing laboratory to confirm the validity of COAs we make available for sale. Any products that are found to re-test outside the state-imposed thresholds of accuracy are immediately removed from inventory, and we contact the distributor of origin to notify them of the discrepancy in testing results and coordinate return of that product. This method of double verification helps us ensure the accuracy of COAs provided by our distribution partners, and we communicate these results in addition to all COAs to our customers to ensure transparency and assure them that we are placing a heavy emphasis on quality control.

Storage of Testing Data: Meadow's POS system allows for creation of unique product profiles that are linked to the individual batch and corresponding test result from which they came. The system inputs all testing result information after obtaining the delivery receipt, and the database assigns product identification numbers for internal tracking and state reporting of test results. The testing result information is easily accessible by staff if they need to call upon testing results when requested by a customer. Data sets are backed up on an encrypted high- capacity hard drive with password protected and accessibility only for authorized management to prevent any adulteration or unauthorized editing of testing results.

Transparency of Testing Data: We take extensive measures to ensure our customers are informed about how we comply with state testing regulations, packaging and labeling requirements, quality control processes and all other information necessary to communicate that our products are of the highest quality, purity and consistency. With respect to testing, we have experienced positive educational outcomes through the inclusion of test result information on custom labels affixed to cannabis items throughout operations at our other stores. Custom labels include a QR code that the customer can scan with their smart phone and access the testing results directly on the laboratory's website. We provide guidance documents and other materials from the California Department of Public Health (CDPH) that outline packaging and labeling guidelines and if prompted, our staff is well versed to discuss compliance with these regulations with customers by demonstrating the presence of all state requirements on a sample product. Our Customer Education Plan features print materials that accompany each purchase to outline our approach to testing, quality control and other elements of state compliance. Electronic materials are also available on our website where customers can get information about our mechanisms for compliance with state testing packaging, labeling and quality control processes. Finally, there is an informational component to some of the events we host as part of the Community Benefit Plan. We are hosting an Open House to meet some of our neighbors and other community members and introduce our business model, discuss our mechanisms for compliance and our extensive neighborhood compatibility measures. We plan on hosting additional events throughout our operations to educate our community about cannabis and will be holding discussions about compliance with local and state regulations at many of these functions. Our goal is full transparency and trust with our consumer base, and we want our customers to know that we have their best interest in mind and that they can come to us and ask anything about our operations.

A.2.J. ADDITIONAL DAILY OPERATIONS: PACKAGING & LABELING

We understand the rigorous packaging and labeling requirements promulgated by local regulations and state law and their importance in ensuring quality assurance while simultaneously preventing theft and diversion to minors. All cannabis goods carried at our store are packaged and labeled in accordance with these regulations to ensure our product line is aligned with statewide standards and to prevent serious adverse events from occurring in our client base. Cannabis goods must arrive at our store with compliant packaging and labeling for them to be integrated into our inventory management, control and reporting system; we reject any deliveries that do not contain cannabis goods with compliant packaging and labeling. Packaging and labeling compliance also ensure the products carried at our store are not misbranded, adulterated, contaminated or otherwise unlawfully cultivated, manufactured or distributed.

Packaging and Labeling Requirements: Received inventory undergoes Quality Control inspections to ensure that no product has been compromised or tampered with and to verify proper product packaging and labeling. Quality Control will include inspection and approval of all components, product containers, closures, packaging materials, labeling and cannabis



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products. All received goods must be packaged for sale. Management has authority to review inventory records and transfer manifests to assure no errors have occurred. Management shall approve or reject all processed, packaged, or manufactured product upon receipt before confirming a transfer manifest. Inspection also includes verification of testing results, labeling compliance, and that all received product is packaged for sales and has not been tampered with. All products must be properly packaged in resealable, tamper evident, child resistant packages and labeled in compliance with the MAUCRSA, SMC, California Health and Safety Code, and relevant provisions of the California Retail Food Code. Package labeling will include the variety, weight, size, pesticides and nutrients used, the date of planting, the date of testing and all other relevant information. Primary Panel labels must also feature the universal symbol prescribed in BPC §§ 26122 and 26130, as well as the net weight or volume of package contents. All labeling text must be a 6-point font or larger and in relation to the size of the primary panel and container. Any received product that has been tampered with or that doesn't meet Flyte's Quality Control requirements, or those of the State of California, are rejected and the manifest will be amended to reflect the rejected product. Rejected product is sent back to its origin or is disposed of in compliance with state disposal requirements.

Packaging and Labeling Prohibitions: Products carried at our store never have labeling that contains any of the following: (1) The name of a California county, including any similar name that is likely to mislead consumers as to the origin of the product, unless 100% of the cannabis used in the product was grown in that county; (2) Content that is, or is designed to be, attractive to individuals under 21, including but not limited to cartoons, any likeness to images, characters, or phrases that are popularly used to advertise to children, any imitation of candy packaging or labeling; or the terms "candy" or "candies" or variants in spelling such as "kandy" or "kandeez;" (3) Any information that is false or misleading; (4) Any health-related statement that is untrue or misleading; Any health-related statement must be supported by the totality of publicly available scientific evidence (including evidence from well-designed studies conducted in a manner which is consistent with generally recognized scientific procedures and principles), and for which there is significant scientific agreement among experts qualified by scientific training and experience to evaluate such claims; (5) If the product is an edible product, a picture of the product contained therein; (6) For purposes of this section, false or misleading information includes any indication that the cannabis or cannabis product is organic, unless the National Organic Program (§ 6517 of the federal Organic Foods Production Act of 1990 (7 U.S.C. § 6501 et seq.)) authorizes organic designation and certification for cannabis and the cannabis or cannabis product meets the requirements for such designation and certification. This includes use of the word "organic" on the labeling or variants in spelling such as "organix;" and (7) Any labeling in violation of the requirements of the DCC.

Responsible Use Messaging on Packaging: We also provide warnings and additional information on our labels along with print educational materials that contain additional information regarding responsible use for each order it is placed in its exit packaging. All labels for cannabis contain the following responsible use content: **"GOVERNMENT WARNING: THIS PACKAGE CONTAINS CANNABIS, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. CANNABIS MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT. CANNABIS USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF CANNABIS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY. PLEASE USE EXTREME CAUTION"** (BPC § 26120 (C)(1)(A)). All labels for cannabis products contain the following responsible use content regardless of the type of product: **"GOVERNMENT WARNING: THIS PACKAGE CONTAINS CANNABIS, A SCHEDULE 1 CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. CANNABIS MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT. CANNABIS USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF CANNABIS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY. PLEASE USE EXTREME CAUTION"** (BPC § 26120 (C)(1)(B)). Manufactured product labels also contain instructions for use, such as method of consumption or application, and any preparation necessary prior to use. Edible cannabis products usually have additional ingredients other than simple cannabis components such as flour, vegetable glycerin, gelatin etc. Thus, edible cannabis products require an additional set of communications via labeling to ensure the consumer understands the product's non-cannabis ingredients and components that may be classified as allergens. If applicable, medical products sold to qualified patients must contain the words **"FOR MEDICAL USE ONLY"** on all labels.



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Finally, an expiration date is required on all labels to comply with the state's one-year shelf-life regulations to ensure quality and purity of products for consumers.

A.2.K. ADDITIONAL DAILY OPERATIONS: QUALITY CONTROL PROCESSES

Flyte implements a Quality Management Systems (QMS) in accordance with ASTM D8222-21a Standard Guide for Establishing a QMS for Consumer Use of Cannabis/Hemp Products to prevent the deterioration of cannabis products held onsite. The QMS ensures cannabis goods sold meet the requirements of "cannabis product quality" defined by 4 CCR § 15000 such that cannabis product quality means that the cannabis product consistently meets the established specifications for identity, cannabinoid concentration, homogeneity, composition, and testing standards pursuant to sections 4 CCR §§ 15718-15724 of, and has been manufactured, packaged, labeled, and held under conditions to prevent adulteration and misbranding. Security, storage conditions, and receiving procedures for cannabis and non-cannabis goods involves a set of preventative measures to ensure cannabis and non-cannabis goods are held under conditions that prevent adulteration and misbranding. These are central components of the QMS. The following quality control procedures comprise the foundation of the QMS and describe how we maintain our facility to ensure clean and sanitary operations and minimize contamination of cannabis products, ingredients, equipment, and supplies. This includes a description of grounds maintenance, plumbing/drainage, pest exclusion, ventilation and much more. A majority of the tasks outline in these procedures are completed on a daily or ongoing basis to ensure optimal conditions for cannabis product quality at the facility:

Cultural Controls: We uphold rigorous standards for interior design and maintenance to facilitate maximum quality outcomes for our products. The Operations Manager and all staff must read safety policies and understand responsibilities, which include but are not limited to the following (1) Staff must attend appropriate training courses (i.e., Cal OSHA briefing, fire safety seminars, biological safety seminars); (2) Required/appropriate caution and warning signs must be posted and removed when necessary; (3) Personnel are required to confine long hair, loose clothing, ties, jewelry, etc.; (4) Glassware must be checked for cracks, sharp edges, and defects and discarded in approved marked receptacles; (5) Doors must be locked when the facility is unoccupied for extended periods of time (e.g., lunch break, end of the workday, weekend, etc.); and (6) Eating and drinking are prohibited in working areas. Good personal hygiene helps prevent adulteration of products. All staff follow these personal hygiene guidelines: (1) Wash hands frequently and before entering and leaving the facility as well as before and after eating, drinking, smoking or applying makeup; (2) Wear appropriate personal protective equipment (PPE); (3) Always wear protective gloves when handling any hazardous chemicals, such as cleaning solutions; (4) Remove PPE before leaving the facility and before washing hands; (5) Remove contaminated clothing immediately; (6) Do not use the clothing again until it has been properly decontaminated; (7) Follow any special precautions for the chemicals in use; (8) Do not eat, drink, smoke or apply makeup around cannabis, cannabis products, or chemicals; (9) Tie back long hair when working near cannabis, cannabis products, or around chemicals; (9) Do not keep food, beverages, or food and beverage containers anywhere near cannabis, cannabis products, chemicals or in areas where chemicals are in use; (10) Do not touch doorknobs, telephones, computer keyboards, etc. with contaminated gloves; and (11) Employees showing signs of illness, open wounds, sores or skin infections shall be prohibited from handling cannabis, cannabis products, and/or chemicals.

Environmental Controls: Environmental controls are important for quality control procedures because they ensure a space of comfort for employees and authorized individuals, minimize intrusive odors, and help ensure cannabis goods are protected from environmental factors that might negatively affect their quality and cause overall degradation and contamination. Environmental controls at Flyte's facility include: (1) Heating; (2) Ventilation; (3) Air conditioning; (4) Lighting; and (5) Dehumidification. It is the responsibility of the C-Suite and the General Manager to adopt, implement, and monitor the enforcement of the environmental control policies and procedures. It is the responsibility of the General Manager to ensure that environmental controls are being maintained day-to-day, to delegate tasks to personnel, and to document the findings and any corrective actions in the Facility Maintenance Log. This involves the cleaning and maintenance of heating and cooling systems, the dehumidifier, and the ventilation system as well as checking the facility's lighting for burnt out bulbs, cleaning fixtures, lamps, and lenses, and inspecting all environmental controls to ensure efficiency, and maintaining all environmental controls in accordance with the system manufacturer's recommendations.



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Quality Control of Records: We maintain quality control over the processes of recordkeeping to ensure ongoing compliance and thorough organization and maintenance of all records, especially with respect to inventory and testing. Our sustained excellence in the application of best practices from proven regulated industries such as pharmaceutical and nutraceutical manufacturing combined with our industry experience with competitive talent from the legal cannabis industry to establish and implement a rigorous recordkeeping component as part of the overall Quality Management System (QMS). Written QMS SOPs for recordkeeping have been prepared to describe the process for determining and documenting how operational recordkeeping requirements are met and explicitly define how recordkeeping activities are performed. These SOPs apply to all of the records highlighted above in **4.2.F. Recordkeeping and Records Storage**.

A.2.L. ADDITIONAL DAILY OPERATIONS: RECALL

Recall is an effective method of removing or correcting cannabis products that violate regulations administered by MAUCRSA. Our recall policies recognize the voluntary nature of recall by providing guidance so we may effectively discharge recall responsibilities. Recall may be initiated at the request of the DCC, California Department of Food and Agriculture (CDFA), California Department of Public Health (CDPH), or voluntarily. Our recall policies and strategies represent Best Management Practices (BMPs) from food and drug industries and are adopted in good faith to best limit threats to public health and safety; this includes the incorporation of ASTM International D8220 – 20: Standard Guide for Conducting Recall/Removal Procedures for Products in the Cannabis Industry as a model for recall procedures. Our recall strategy accounts for the following factors: (1) Results of health hazard evaluation; (2) Ease in identifying the product; (3) Degree to which the product's deficiency is obvious to the consumer or user; (4) Degree to which the product remains unused in the marketplace; and (5) Continued availability of essential products. Recall measures are initiated whenever it becomes apparent cannabis goods included in our inventory do not meet appropriate health standards as established and determined by MAUCRSA and associated agencies responsible for enforcement of these regulations. It is our policy that any notification of product that poses threat to human life or public health initiates immediate investigation and recall procedures. Recall procedures require prompt notification of the Distributor of origin as well as manufacturers and cultivators from which the Distributor received the product. Recall communications are relayed in the form of electronic mail, text messages, telephone calls, and first-class mail. Recall communications are written so as to be brief and to the point, as recommended by the FDA, and include all of the following: (1) Clear identification of the product name, size, brand name, batch number, serial numbers, potency, dosage, type, unique identifier code, and any other pertinent descriptive information to enable accurate and immediate identification of the product; (2) A concise statement of the reason for the recall; (3) Statement of known or potential hazards; (4) Provision of the initial shipping date and quantities shipped/received according to track and trace records; and (5) Instructions for consignees to follow in handling the recall and returning recalled product. All written recall communications are conspicuously marked on the outside envelope and on the enclosed information of the recall communication with "URGENT CANNABIS RECALL (or CORRECTION)". Recalls are sent expediently with a maximum of 24 hours after discovery of adulteration, contamination, misbranding, etc. All recall communication will be sent with a proof of receipt request and mailed communication shall be by certified mail. All recall communications to our customers include instructions to enable them to report the amount of product in possession and its disposition. Disposal procedures include collecting compromised product from the Retail Floor or Secure Storage Room and coordinating with customers to return recalled product to our facility so we can coordinate disposal procedures. All recall notification communications include information pertaining to return of the compromised product. The business name, phone number, email address and physical address are all provided in event of a recall. General recall instructions advise customers to contact us directly and schedule a pickup of all returned product by our Delivery Drivers. Weighing and tracking information is entered into the Meadow POS system and Metrc, and we provide weekly progress reports on the status of the recall to the appropriate state and local agencies. Any discrepancies between the total amount of product recalled and the amount collected and destroyed are immediately reported to City and State officials. A recall is terminated with approval from the DCC or when any additional agencies determine that all reasonable efforts have been made to remove or correct the product in accordance with the recall strategy, and when it is reasonable to assume that the product subject to the recall has been removed and proper disposition or correction has been made commensurate with the degree of hazard of the recalled product. Written notification that a recall has been terminated is documented and records retained. We may request termination of its recall by submitting a written request to the DCC stating that the recall has been effective and by accompanying the request with the most current recall status report and a description of the recall disposition.



SECTION B: LABOR AND EMPLOYMENT PLAN

Those who seek employment in the cannabis industry are subject to challenging work environments, unique labor regulations and other restrictions that are not common in many other industries. As such, Flyte takes heightened measures to ensure beneficial labor and employment outcomes and promote occupational safety, health and welfare for anyone and everyone that works at our facility. Our ability to create a safe, dynamic and nurturing work environment is rooted in the rich tapestry of experiences gained and applied by our leadership team. Chief Executive Officer (CEO) Ramiz Naoum and Chief Operating Officer (COO) Mazin Stephan are leveraging their extensive background in operating Off The Charts (OTC), one of California's highest-performing cannabis retailers, and drawing on the lessons learned from managing OTC's bustling Vista location operation that boasts over \$20 million in annual revenue and has nearly 80 employees. Chief Strategy Officer (CSO) Chris Salem and Chief Development Officer (CDO) Martin Salem employ over 100 individuals at their gas stations, carwashes and convenience stores throughout San Diego County and have developed a human resources program that emphasizes heightened safety protocols given the volatility of petroleum, the use of specialized equipment for day-to-day functions, the sensitive nature of alcohol and tobacco sales conducted at their convenience stores, and the potential hazards associated with each individual aspect of these workplaces. Flyte's proposed operation in Santee infuses the Salem Brothers' unparalleled knowledge of Santee's commercial landscape with Ramiz and Mazin's extensive cannabis industry experience to develop and implement a Labor and Employment Plan that is as innovative as it is effective. Flyte has developed internal policies and procedures that are tailored to compliance with unique labor requirements of the cannabis industry and empowerment of employees to succeed in their respective roles at Flyte and beyond, all while ensuring our staff's health and safety through comprehensive hazard analysis and facility auditing. Our goal is to establish a new benchmark for labor, employment, and human resources within the cannabis sector, ensuring our team members have the tools, training, and support to excel from day one.

Between local hiring, heightened pay, extensive benefits packages, employee-focused practices, occupational health and safety programs, employee training and other initiatives to take care of our staff, Flyte is poised to become a driving force in job creation and retention for the City of Santee. We look forward to creating meaningful and fulfilling opportunities for residents and ultimately redefining what success looks like in the workplace.

B.1. NUMBER OF EMPLOYEES

	Headcount (Opening)	Headcount (Capacity)	Compensation Figure	Payroll (Opening)	Payroll (Capacity)
Chief Executive Officer (CEO)*	1	1	\$95,000	\$95,000	\$95,000
Chief Operating Officer (COO)*	1	1	\$95,000	\$95,000	\$95,000
Chief Strategy Officer (CSO)*	1	1	\$65,000	\$65,000	\$65,000
Community Relations Officer (CRO)	1	1	\$65,000	\$65,000	\$65,000
Compliance Officer	1	1	\$61,401.60	\$61,401.60	\$61,401.60
General Manager	1	1	\$70,000	\$70,000	\$70,000
Human Resources Coordinator	N/A	N/A	N/A	N/A	N/A
Inventory Manager	1	1	\$61,401.60	\$61,401.60	\$61,401.60
Team Lead	1	1	\$61,401.60	\$61,401.60	\$61,401.60
Cannabis Consultant	6	8	\$21.50/hr [†]	\$222,912	\$297,216
Dispatcher	1	2	\$21.50/hr [†]	\$43,344	\$86,688
Delivery Driver	2	2	\$21.50/hr [†]	\$86,688	\$86,688
Total	17	20	--	\$927,149	\$1,044,797

[†]Roles paid at least \$21.50/hr and tips.

Based on the above table, Flyte will employ 17 employees at its opening. Flyte will transition to 20 employees when the facility reaches full operational capacity, which we expect to be within 1-year of opening.

B.2. EMPLOYEE RESPONSIBILITIES

Our roles and responsibilities are outlined based on a tiered structure of staff levels with delineated job functions. Leadership is comprised of the Chief Executive Officer (CEO), the Chief Operating Officer (COO), Chief Strategy Officer (CSO) and



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Community Relations Officer; these C-suite managers are responsible for the management and oversight of employees and ensuring all employees understand their roles within the overall organization. We are staffing the proposed business with the following roles:

Chief Executive Officer (CEO): The CEO is responsible for providing leadership in all aspects of the retail storefront and delivery service and overseeing all areas of operation. The CEO maintains a birds-eye view of the entire operation and looks for ways to increase operational efficiency and performance. The CEO is responsible for ongoing compliance efforts to ensure that all operations and documentation are being executed in the scope of compliance with the Medicinal and Adult Use Cannabis and Safety Act (MAUCRSA), the Santee Municipal Code (SMC) and any applicable federal regulations. The CEO incorporates best practices for facility design and outfitting of a cannabis retail storefront by combining his previous knowledge of commercial real estate, his extensive experience in operating cannabis retailers for six (6) years and his emphasis on adherence to local design guidelines to ensure that all of Flyte's facilities blend with the overall community aesthetic. He also runs monthly and quarterly reports, remits tax payments to the city, State and Distributors and serves as the face of the store at public functions, including city meetings and hosted community functions. The CEO is trained in all roles at the facility in case he needs to replace or cover staff in cases of emergency. The annual salary for the CEO is projected to be \$95,000.

Chief Operating Officer (COO): The COO is heavily involved in day-to-day operations concerning product procurement, sales strategy development, inventory management, control, reporting and various other product-driven aspects of cannabis retail. The COO maintains and expands Flyte's network of licensed cultivators, manufacturers, and distributors to ensure a consistent supply of cannabis goods and builds relationships with these entities to get favorable terms on products over time. The COO incorporates data and analytics into all sales strategies by tracking which products perform the best in sales and maximize return on investment. The COO also collaborates with the Human Resources Coordinator to deliver the best possible experience for our employees and ensure staff retention. Finally, the COO coordinates with all other roles affiliated with marketing and advertising to develop targeted campaigns in various formats and responsibly communicates relative information to Flyte's clientele. The annual salary for the COO is projected to be \$95,000.

Chief Strategy Officer (CSO): The CSO holds a pivotal role in shaping Flyte's future, ensuring its growth, and securing its competitive position in the market. The CSO is tasked with developing and implementing forward-thinking strategies that align with Flyte's mission and regulatory environment of California's cannabis industry. The CSO conducts comprehensive market analysis to identify emerging opportunities and potential challenges, guiding Flyte through strategic planning, business development, and market penetration efforts. The CSO works closely with the CEO and COO to ensure that operational practices are optimized and that product offerings meet the evolving needs of the customer base within strict compliance of local and state regulatory frameworks. The CSO coordinates with leadership on overall retail strategy and continually looks for ways to expand our team's collective product-driven knowledge and expertise. He provides data and observations of sales trends to the Inventory Team using his expansive knowledge of various data platforms to guide product procurement strategies and ensure Flyte's product menu features are current and diverse. The CSO also partners with the COO on marketing strategies, brand elevation, branded merchandise design, collateral and production. The CSO is a primary driver of growth for the company and keeps Flyte on the cutting edge of cannabis retail and product offerings. Finally, the CSO aids the CRO in all aspects of community engagement based on their experience operating a business in Santee and familiarity with the overall social, cultural, and economic landscape of San Diego County. The annual salary for the CSO is projected to be \$65,000.

Community Relations Officer (CRO): The CRO is the facility's direct link to the community as a community liaison and is responsible for all public relations, community reinvestment initiatives and social equity strategies. The CRO is a fixture in the local community and develops relationships with community members and regulators at the local level, ensuring that Flyte is consistently a well-respected contributing member of the Santee business community. The CRO is primarily responsible for maintaining community commitments outlined in our Community Benefits Plan and communicates with local business partners and other equity partners with respect to cross-promotional ventures and joint community initiatives. The CRO is responsible for Flyte's Good Neighbor Policy outlined in the Neighborhood Compatibility Plan and is the dedicated community relations contact whose responsibilities are mandated in the SMC. As the community relations contact,



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the CRO is Flyte's direct line of communication to the public, the City, and neighbors with respect to proactively addressing and responding to complaints, including those relating to noise, light, odor, loitering as well as vehicle and pedestrian traffic. The CRO's name, telephone number(s) and email address will be provided to the City along with all neighboring businesses and other establishments within 500' of the facility; his contact information will also be available on our website for clients and other community members. They foster partnerships and relationships with key stakeholders, suppliers, and the local community to promote the Flyte's brand and contribute to its financial sustainability. In a rapidly growing and changing industry, the CRO's innovative approaches and strategic leadership will be crucial for Flyte's success and long-term viability in Santee. The CRO administers directives to create community engagement schedules, deploy company resources to meet these community engagement goals, analyze the performance of community benefit initiatives and create a holistic connection between our employees and local community members. The annual salary for the CRO is projected to be \$65,000.

Human Resources Coordinator: The Human Resources Coordinator is focused on building out a great experience for our employees, from the interview process to their first annual review and beyond. They collaborate with the COO to build out Flyte's human resources platform, hiring process, onboarding and offboarding procedures, payroll, and benefits program. Their day-to-day responsibilities include making sure all of the systems are running smoothly and efficiently through the use of technology and feedback from the team. The Human Resources Coordinator is also focused on creating and maintaining a great work environment, which includes a beautiful working space and Break Room to strengthen our team's unity and overall company culture. The Human Resources Coordinator is the primary driver of company culture and provides guidance and development opportunities to all employees. The Human Resources Coordinator is contracted through a third party provider and their compensation is not incorporated in Flyte's overall employment figures.

Compliance Officer: The Compliance Officer is responsible for overseeing all regulatory affairs, ensuring that our operations fall within the scope of compliance with all local and state regulations on a continual basis. The Compliance Officer handles all state licensing work such as renewals and modifications, participates in all compliance inspection and audits our standard operating procedures to ensure ongoing compliance after changes in regulations. The Compliance is also responsible for assisting the COO and Inventory Manager with compliance operations that are focused on inventory management, control, and reporting. This includes oversight of inventory audits, generating inventory reports, communicating with management regarding inventory discrepancies, managing electronic and physical inventory records and various other leadership tasks. The Compliance Officer is a key contributor to the development, implementation, evaluation, and auditing of all operational SOPs and works to ensure compliant day-to-day operations from the first day of business and that each employee is aware of the procedures to complete their day-to-day tasks. The Compliance Officer is our primary interface with the local and state government and proactively prevent any compliance issues from arising. The annual salary for the Compliance Officer is projected to be \$61,401.60.

General Manager: The General Manager provides leadership throughout all day-to-day operations for cannabis retail and delivery. The General Manager has expansive knowledge of the local market and knows how to fine-tune Flyte's standard operating procedures to achieve the most beneficial sales and employment outcomes. From a personnel perspective, the General Manager oversees the Verification Specialists, Cannabis Consultants, Dispatchers and Delivery Drivers and provides directives to create the best possible retail experience for our clientele. This includes the creation and alteration of product displays, incorporation of new signage, oversight of cash management, working with the Security team, employee issues that have been escalated and any other broad-spectrum procedures or aspects of the facility. They are responsible for training and coaching employees on all aspects of operations, developing staff schedules, spearheading the development of consumer education materials, assisting with marketing and advertising, coordinating with other owners on product specials, contributing ideas for community benefit initiatives and many other imperative operational tasks. In the pre-operational phase, they help apply various design concepts in the Retail Area for optimal customer traffic. They regularly collaborate with leadership on ways to improve sales through the design and layout of the Retail Area, displays, storage mechanisms and much more throughout ongoing operations. Additional responsibilities include interviewing and hiring team members, altering and updating SOPs to maintain cohesion with the new facility and enacting safety and health protocols when necessary for maximum consumer and employee safety. The General Manager has expansive knowledge of MAUCRSA and their understanding of local and state regulations in the context of Flyte's business strategy makes them a key contributor



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in the development, implementation, evaluation and auditing of SOPs for retail and delivery operations. The annual salary for the General Manager is projected to be \$70,000.

Inventory Manager: The Inventory Manager oversees all day-to-day operations regarding inventory management, control and reporting. They include receiving deliveries of cannabis goods, verifying shipping manifests, confirming the presence and accuracy of all Certificates of Analysis, maintaining environmental conditions in the Limited Access Retail Fulfillment Room, conducting inventory audits, generating inventory reports, communicating inventory discrepancies to management, managing electronic and physical inventory records and various other day-to-day tasks. The Inventory Manager knows how to troubleshoot problems in Metrc and Meadow and coordinate with other staff members to resolve issues in a timely fashion. The Inventory Manager works directly with the Compliance Officer to the development, implementation, evaluation and auditing of all inventory-related SOPs and works to ensure compliant transfers of inventory between other licensees. The Inventory Manager knows the complete inner workings of Meadow, Metrc and Headset and is responsible for ensuring that all commercial cannabis activity is recorded in these programs. The Inventory Manager also carries out all product handling directives, including checking inventory in and out of storage, assisting the General Manager with Meadow and Metrc, maintaining adequate environmental conditions for temperature-sensitive cannabis products in storage and in the Retail Area once they are checked out of storage and assisting Cannabis Consultants as needed. The Inventory manager is the gatekeepers of cannabis goods as they move throughout the facility and is rigorously trained in product security protocols to prevent theft, loss and diversion. The Inventory Manager works with the CEO, COO, Compliance Officer, General Manager, and other relevant management personnel to ensure inventory management is conducted within the scope of Flyte's overall sales strategy and any alterations made to this strategy. The annual salary for the Inventory Manager is projected to be \$61,401.60.

Team Lead: The Team Lead is the "Captain" of our Cannabis Consultant team. They lead by example in day-to-day operations, including transaction processing, ID verification, cash handling and other retail activities. The Team Lead has a wealth of knowledge regarding cannabis products and helps customers make informed purchasing decisions. The Team Lead coordinates with Inventory Technicians regarding the need for more products in the Retail Area and ensures there is a consistent supply of cannabis goods available for purchase. The Team Lead is trained in all security protocols and provides direction to Cannabis Consultants in the event of an emergency. The Team Lead communicates their observations of Flyte's day-to-day performance to the General Manager and makes suggestions on potential changes to certain protocols. Any questions that Specialists may have are first submitted to the Team Lead and then escalated to the General Manager if the Team Lead cannot provide the necessary information. The annual salary for the Team Lead is projected to be \$61,401.60.

Cannabis Consultants: Cannabis Consultants are the backbone of the retail storefront, ensuring a seamless and compliant customer journey from entry to exit, alongside meticulous management of cannabis products, encapsulating a comprehensive set of responsibilities designed to ensure the effective operation of the retail storefront. Firstly, Cannabis Consultants are responsible for the initial screening of customers at the dispensary's entrance. This includes verifying the age and eligibility of patrons to ensure adherence to legal requirements, specifically that customers are over the age of 21 and patients have the required physician recommendations. This gatekeeping role is critical in preventing unauthorized access and maintaining regulatory compliance. Once inside, Consultants guide customers through the product selection process. They provide expert advice on the benefits, uses, dosage, and ingestion methods of cannabis and cannabis-infused products, tailored to meet the individual needs and preferences of each customer. This advisory role is supported by comprehensive product knowledge, including the operation of point-of-sale (POS) systems, integration with the METRC tracking system, and the ability to process sales transactions efficiently. Cannabis Consultants play a crucial role in maintaining the flow of customers and patients within the facility, managing queues effectively to ensure a positive customer experience. They are the point of contact for introducing customers to more specialized assistance, such as consultations with the General Manager for complex product inquiries. Consultants are also tasked with the secure packaging of products for customer departure, following strict guidelines to ensure that products are not visible upon exiting the dispensary. In addition to customer-facing responsibilities, Cannabis Consultants carry out all product handling directives passed down by the Inventory Manager. This includes receiving, storing, and managing cannabis products, ensuring that inventory levels are accurately maintained and recorded. Consultants ensure that the dispensary's environment is conducive to preserving the quality of temperature-sensitive cannabis products, both in storage areas and in the Retail Area. This includes assisting



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with the maintenance of environmental conditions and supporting the inventory process as directed by the Inventory Manager. The starting hourly wage for Cannabis Consultants is projected to start at \$21.50 plus tips.

Dispatchers: Dispatchers manage all transportation operations for the delivery element of our operation, which includes outgoing deliveries of cannabis goods to customers at qualified addresses. Operations include planning routes, prioritizing routes in accordance with time of order and logistical efficiency of routes, processing phone-in and electronic orders, supporting drivers and processing pick-up and delivery orders, compiling identification for orders, verifying addresses before packaging orders, packaging orders in accordance with order requests and attaching invoices to orders waiting for pick-up or delivery. Dispatchers oversee a team of full-time Delivery Drivers to ensure a steady supply of transportation labor allocated to retail deliveries. Dispatchers coordinate with the GM to ensure there is a consistent supply of cannabis goods flowing throughout the internal supply chain through careful oversight of transportation and logistics. Dispatchers also ensure adherence to all transportation security protocols, such as confirming the presence of a Tuffy tactical lockbox in the vehicle, confirming no cannabis is visible from outside the vehicle, and enforcing our distracted driving policy. The starting hourly wage for Dispatchers is projected to start at \$21.50 plus tips.

Delivery Drivers: Delivery Drivers are the core of our transportation operations. Delivery Drivers are both front-end and back-end employees, making retail deliveries to clients as well as coordinating with the Dispatcher regarding route assignments and inventory. They are responsible for communicating with customers in preparation for transporting cannabis to a client's address, reviewing and submitting trip plans and ensuring delivery manifests are consistent with delivered products and addresses where deliveries are occurring, confirming delivery, loading and unloading cannabis goods and cash in and out of delivery vehicles, maintaining delivery vehicles, validating government-issued ID, and obtaining photographic confirmation of customer documentation. Delivery Drivers are trained in all aspects of the Meadow POS system and OnFleet transportation and logistics platform to ensure compliance with all local and state requirements for delivery. Delivery Drivers are required to hold steady communication with Dispatchers throughout their delivery routes. The starting hourly wage for Delivery Drivers is projected to start at \$21.50 plus tips.

B.2.A. ROLES & RESPONSIBILITIES: THIRD-PARTY VENDORS

Flyte is benefiting from collaborative partnerships with notable third party vendors to supplement the roles and responsibilities held by our C-Suite, management team and day-to-day employees. We have developed these partnerships through our Owners' previous ventures in the cannabis industry, petroleum sales and convenience store retail. Each of these third party vendors plays a unique role in the implementation of our Labor and Employment Plan and provides ongoing support to ensure that this plan is rolled out and maintained effectively. The following further describes these third party vendors and how they fit into our Labor and Employment Plan:

eqHR Solutions: Flyte uses eqHR Solutions for all human resources needs, eqHR is a Professional Employer Organization (PEO) that provides clients with a full-service human resources platform offering anything from payroll consulting to employee handbook development and more. eqHR has a profile of 100+ clients that includes Fortune 500 companies from an array of professional sectors including finance, marketing, science, food and beverage and more, which exemplifies their diverse experience in human resources management. eqHr provides Flyte with ongoing regulatory compliance management so we are able to stay ahead of state and federal regulations with our expert guidance along with payroll processing and auditing to ensure accurate and timely payroll, reduce errors, including meal breaks, violations and improve employee satisfaction. They also offer unique services such as consulting and guidance on the development of California Workplace Violence policies and train our staff to align with the latest regulations mandating comprehensive strategies to prevent workplace violence, which is a potential hazard with somewhat heightened likelihood in the cannabis industry. eqHR will be an integral component of our ability to maintain compliance with all California labor laws and specific cannabis industry requirements throughout all operations in Santee.



Aspen Risk Management Group (ARMG): ARMG is a TRISTAR company that reviews, audits and addresses essential workplace safety concerns, including loss prevention, occupational health and ergonomics. Owners Chris and Martin Salem have successfully utilized their consultation services to conduct internal workplace safety audits for multiple locations including



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their gas station/convenience store across the street from our proposed location at 8617 Cuyamaca Street in Santee. The purpose of their visits serves to conduct a survey to assess injury exposures to staff, review any recent workers' compensation claims, conduct a walk-through of the facility to better understand the current operations, and provide recommendations or suggestions to help reduce potential injury exposure.). Collaboration with ARMG has equipped the Salem Brothers with advanced strategies in operational security, including developing and enforcing verification SOPs aimed at preventing sales to minors and ensuring overall community safety. We have provided some further detail about ARMG's services and how they factor into our occupational health and safety outcomes below in **B.5. Occupational Safety and Health**. ARMG will be instrumental in helping us create the safest environment for customers and employees in all of California.

B.3. EMPLOYEE BENEFITS

At Flyte, we value the health and happiness of our team members above all. To showcase our commitment, we have compiled a detailed summary of the employee benefits we offer, ranging from essential health coverage to exciting, innovative perks that enhance our employee's work-life balance and overall wellness:

Health Insurance: Employees who work 30 or more hours per week are eligible for group healthcare benefits. Flyte offers its employees a variety of coverage options, which include extended coverage of children, spouses and dependents. Salaried employees are eligible after 30 days of employment, and hourly employees are eligible after 90 days of employment. Below is a sample breakdown of our plan offerings and Flyte contributions.

Salary Employees

Silver 70 HMO 1800/55:

-Flyte contribution towards employee: 60%
-Flyte contribution towards dependent: 40%

Gold 80 HMO 250/45:

-Flyte contribution towards employee: 60%
-Flyte contribution towards dependent: 40%

Blue Shield Silver PPO 70 2250/50 (buy-up: employee pays difference from Kaiser to Blue Shield PPO)

- Flyte contribution: 70% of base plan Kaiser Permanente Silver 70 HMO 1650-55 Alt
- Flyte contribution: 40% of base plan Kaiser Permanente Silver 70 HMO 1650-55 Alt

Delta Dental PPO Premier Enhanced 1800:

-Flyte contribution towards employee: 60%
-Flyte contribution towards dependent: 40%

VSP (Vision):

-Flyte contribution towards employee: 60%
-Flyte contribution towards dependent: 40%

Hourly Employees

Silver 70 HMO 1800/55:

-Flyte contribution towards employee: 50%
-Flyte contribution towards dependent: 0%

Gold 80 HMO 250/45:

-Flyte contribution towards employee: 50%
-Flyte contribution towards dependent: 0%

Blue Shield Silver PPO 70 2250/50 ((buy-up: employee pays difference from KP base plan for BS PPO)

- Flyte contribution: 60% of base plan Kaiser Permanente Silver 70 HMO 1650-55 Alt
- Flyte contribution: 0% of base plan Kaiser Permanente Silver 70 HMO 1650-55 Alt

Delta Dental PPO Premier Enhanced 1800

-Flyte contribution towards employee: 50%
-Flyte contribution towards dependent: 0%

VSP (Vision)

-Flyte contribution towards employee: 50%
-Flyte contribution towards dependent: 0%

CA Disability Insurance: The Employment Development Department (EDD) administers state Disability Insurance (SDI); this provides benefits when staff can't work because illness/injury that is not work related. Benefits are based on earnings, and the first seven days of an employee's claim is a waiting period during which no benefits are payable. Employees can get claim forms from their doctor or any office of the EDD by phone, letter, or in person. The 7-day waiting period is waived

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when someone who already served the waiting period for the initial disability benefits claim files a second benefits claim for the same or related condition within 60 days after the first period of disability.

CA State Paid Family Leave Insurance: Paid Family Leave (PFL) is a state-sponsored insurance program that provides employees with partial wage replacement for up to six (6) weeks in any twelve-month period while absent from work for a seriously ill or injured family member. Eligible employees must apply directly with the California EDD to receive benefits. Flyte does not distribute PFL benefits to employees. Whenever employees can foresee the need for time off, they must also provide advance notice to Flyte's management in writing and request time off.

Workers' Compensation: Flyte provides insurance coverage for employees for work-related injuries. Employees receive notice at the time of hire with the name of the workers' compensation carrier in writing and any changes thereafter. Workers' Compensation leave runs concurrently with FMLA and CFRA for the first 12 weeks of time off.

Social Security: Employees are covered under provisions of federal social security law. Social security benefits supplement employees' family retirement income and provide disability and survivors' benefits. The wage deduction for social security taxes is matched by Flyte. The total contribution by an employee and Flyte is credited to employees' social security account. Detailed information about social security benefits can be obtained from the Social Security Administration.

Vacation Pay: Vacation time allows employees to rest, relax and pursue special interests. Flyte provides Paid Vacation Leave to show appreciation for employee loyalty and continued service. Forty hours of annual vacation pay is available to employees (from date of hire) and becomes available after an employee has worked full-time for one year. Vacation requests are approved on a first-come, first-served basis, as well as length of employment, frequency of vacation requests, and only if the time off does not interfere with the normal business operations of Flyte.

Job Title	Vacation After 1 Year Until End of 2 Years	After 3 Years of Service	Maximum 5 Years of Service
Cannabis Consultants, Delivery Drivers, Verification Specialists	1 week	2 weeks	3 weeks
Team Lead, Dispatcher	1 week	2 weeks	3 weeks
General Manager, Inventory Manager, Compliance Officer	2 weeks	2 weeks	4 weeks
CEO, COO, CSO, CRO	3 weeks	3 weeks	5 weeks

Employees become eligible for 120 hours of paid leave after 5 years of service. Further, all staff are provided paid time off or overtime for prescribed company holidays each year. Employees are encouraged to use all vacation during the 12-month period after it has been earned. Every effort is made to grant an employee their vacation at the time they desire. However, vacations cannot interfere with Flyte's operation and, therefore, written requests for vacation time off must be submitted to an employee's supervisor for approval at least seven days in advance, when feasible. The amount of time requested cannot exceed the accrued amount. If any conflicts arise in requests for vacation time, preference is given to employees with the most seniority and/or the last time vacation was taken. Vacation requests involving travel must be submitted for approval prior to booking travel, i.e., requesting vacation with the stipulation that travel arrangements have been made does not guarantee the time off request and may result in disciplinary action if the request cannot be granted and the time off is taken. Employees may not "cash out" vacation time while employed, nor can employees be paid vacation time as an additional paycheck in lieu of using vacation time. If an employee is on an approved leave of absence of less than five (5) days, the employee's vacation eligibility is not affected. If a paid holiday occurs during an employee's scheduled vacation, the employee receives holiday pay for that day, and the employee shall not be charged for a vacation day on the day the holiday is observed.

Sick Pay: Paid Sick Leave provides employees with a measure of wage/salary continuation when they are absent from work. Paid Sick Leave may be used for employee illness or injury, as well as the diagnosis, care, treatment of an existing health condition, or preventive care for themselves or a family member. Paid sick leave is available if an employee or a member



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of the employee's family has been the victim of a crime and the employee needs to take time off to attend judicial proceedings relating to the crime. Employees who are victims of domestic violence, sexual assault or stalking may also use paid sick leave time. Employees can use available Sick Leave in the event of the death of an immediate family member or the family of a spouse. Paid Sick Leave cannot be used for non-health-related matters such as tardiness, to extend a vacation or for absences of non-scheduled workdays. Requests for use of sick leave benefits can only be for a day on which an employee is scheduled to work or when they are called to report to work. Employees accrue Sick Leave on their first day of employment and can use Sick Leave after working at least 30 days. Paid Sick Leave is credited to employee banks of time based on employee classification, which relates to an employee's hourly commitment.

Employee Classification	Yearly Sick Leave Credit in Hours	Yearly Sick Leave in Days
Full-Time Employees (40 hrs/ wk)	48.00	6.00
Full-Time Employees who average 30 but less than 40 hrs/wk	40.00	5.00

Holiday Pay: Flyte observes Thanksgiving and Christmas and is closed on those days. If an employee's regularly scheduled workday falls on one of these holidays, the employee is paid at their hourly rate. If the schedule changes from week to week, holiday pay for these holidays is determined based on whether the employee worked the same day of the week for the four weeks leading up to the holiday. In addition, the stores close at 8 pm on Thanksgiving Eve, Christmas Eve, and July 4th. If an employee's regularly scheduled workday falls on one of these days, scheduled hours are adjusted according to the needs of the store. All non-exempt staff who work any of the following holidays are paid at time and one-half: New Year's Day, President's Day, Easter, Memorial Day, Independence Day, Labor Day and Veterans Day. To qualify for holiday pay, an employee must work the employee's regular schedule the day immediately before and after the holiday. Approved excused absences; use of Sick Pay or other types of time off protected by law are considered exceptions to this policy. Exempt staff who work the whole week are paid their regular salary. For example, if Christmas Day occurs on a Saturday, the holiday is generally observed on the preceding Friday. If Christmas Day occurs on a Sunday, it is generally observed the following Monday. An employee may take time off to observe the employee's religious holidays. If available, a full day of unused vacation may be used for this purpose, otherwise time off is without pay. An employee must notify their supervisor at least five (5) days in advance. Part-time employees are eligible to receive holiday pay only for holidays on which they normally would be scheduled to work and only for their regularly scheduled hours. An employee is not eligible to receive holiday pay when the employee is on a leave of absence. Holiday pay is not considered "hours worked" when computing overtime pay.

Unemployment Insurance: Flyte pays unemployment insurance taxes on behalf of employees to state and federal governments. These taxes fund payment of unemployment insurance benefits to employees eligible to receive them.

Maternity Program: Flyte endorses a healthy work/life balance and quality time with family. We want to provide as much coverage as possible by allowing eligible employees time to adjust to their new life and bond with their children. Eligible employees are categorized as primary caregivers who have been with the company for at least six (6) months prior to leave and are welcoming a new child to their family either through birth or adoption. Together with the state of California, Flyte offers the following Maternity Leave Program:

- 1) **Primary Caregiver Leave:** for up to 12 weeks of paid leave. Flyte will supplement California Paid Family Leave so that eligible employees are paid 100 percent of wages for up to 12 weeks.
 - a. California Paid Family Leave (PFL):
 - i. In the state of California, Paid Family Leave provides up to eight weeks of partial wage replacement benefits to bond with a new child.
 - ii. Provides approximately 60 to 70 percent of your wages during your leave.
 - b. Flyte Paid Family Leave:
 - i. Flyte will pay 40% of wages for the first 8 weeks of leave. Following that, Flyte will ensure you receive 100 percent of your wages for the remaining 4 weeks.



- 2) **Flexible Options:** Employees can choose when to take their Parental Leave - either in one continuous period or split into two periods within 12 months of birth or adoption.
 - a. Employees must notify their manager and the Human Resources Department at the earliest possible date, ideally at least 6 weeks prior to the start of leave.
- 3) **Ramp Back Program:** With this program, staff can ease back to work with up to 2 weeks of flexible time.
 - a. Employees coordinate directly with their manager & the Human Resources Department to discuss an appropriate ramp back schedule for the first two weeks back at work.

Family and Medical Leave (FMLA) and California Family Rights Act: This leave section is to comply with both the federal Family and Medical Leave provisions (FMLA) and the California Family Rights Act (CFRA) provisions, where applicable. These leaves run concurrently unless prohibited by law. These two laws provide a leave of absence for the birth, adoption or foster care placement of an employee's child, or the care of an employee's child, adult child who is incapable of self-care, child of same-sex spouses, parent, spouse, same-sex spouses, registered domestic partner (CFRA) with a serious illness/health condition, or the employee's serious illness/health condition that makes the employee unable to perform their duties.

Employees who have completed at least one year of employment and have worked at least 1,250 hours in the previous twelve (12) months who are employed at a worksite where Flyte maintains on the payroll (as of the date of the leave request), at least 50 part- or full-time employees within 75 miles (measured in road miles) of the worksite where the employee requesting the leave is employed, may submit a written request for a family and medical leave of absence, without pay, for any length of time up to a maximum of twelve (12) workweeks in a 12- month period. The written request must be submitted to the HR department or to the employee's direct supervisor to turn in to HR. The 12-month period is measured backward from the date an employee uses any family and medical leave. There is no carryover of unused leave from one 12-month period to the next 12-month period. If the need for a family and medical leave of absence is foreseeable, employees must submit their request at least thirty (30) days in advance. We normally grant requests for family and medical leave based on the facts and circumstances surrounding each request. If granted, employees are given written notice designating the leave as a family and medical leave of absence, as well as notice of their rights and obligations during the leave. Requests for family medical leave to care for a child, parent, or spouse with a serious illness/health condition, or an employee with a serious illness/health condition, must be accompanied by a health provider's written statement that certifies the need for the leave and estimates the length of time the employee is unable to work due to the serious illness/health condition. Although Flyte is not able to guarantee reinstatement in all cases, employees on family medical leave who return to work immediately following the end of an approved leave are returned to the same job they held immediately prior to their leave or, if that position has been eliminated, a comparable position, if one is available. If such a position is not available, then the employee is entitled to a position for which they are qualified.

Employees with a serious illness/health condition must present a healthcare provider's written release to their manager or provide the release to the employee's direct supervisor, verifying that they can safely perform their duties before they are allowed to return to work. Flyte attempts to work with the employee to provide reasonable accommodation, as applicable. FMLA leave to care for a service member might include care of a grandparent, grandchild, sibling or parent-in-law and the employee could apply for PFL benefits. Under CFRA and FMLA regulations, employees may use protected leave to care for a seriously ill family member, including someone who stood in loco parentis to the employee. FMLA/CFRA will cover an employee's leave only under this circumstance if the person is a grandparent, grandchild, sibling or parent-in-law.

For employees on family and medical leave for the employee's own illness/injury, Flyte may require use of and integrate any sick or vacation pay into SDI. Employees out on baby bonding leave may be required to use sick leave or vacation time to supplement PFL. Once an employee begins receiving benefits from a disability leave plan, such as state disability, or a disability benefit offered by Flyte (such as a long-term disability plan), they are not required to use their sick leave and/or vacation time while on an FMLA/CFRA leave; however, may elect to use sick leave, and/or vacation time to supplement their disability benefits if they request the use of these paid time options and/or the long term disability leave plan does not provide them with complete wage replacement (e.g. if the plan only pays an employee 2/3 of their wages).

Additional Forms of Leave: We offer an extensive profile of leave to our employees to accommodate all potential scenarios in which they may need support. The following types of leave are available: (1) Worker's Compensation Leave; (2) Service



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Member Family and Medical Leave; (3) Pregnancy Disability Leave; (4) Personal Leave; (5) Bereavement Leave; (6) Military Leave; (7) Spouse Military Leave; (8) California Emergency Duty Leave; (9) California Civil Air Patrol Employment Protection Act; (10) California Crime Victim Leave; (11) California Domestic Violence and Sexual Assault Victims and Stalking Leave; (12) California Organ and Bone Marrow Donor Leave; (13) Subpoenas/Witness Duty Leave; (14) Time Off to Vote; (15) Time Off for Religious Reasons; (16) School Appearance Leave; (17) Family School Partnership Leave; and (18) Alcohol and Drug Rehabilitation Leave.

Re-integration after Leave: Flyte recognizes the need to provide transitional work to employees who are unable to perform duties due to non-occupational or occupational injury/illness as soon as the treating physician deems it medically feasible. The Early Return to Work Program applies to all staff with modified work duties resulting from occupational injury. The number of available transitional work positions may be limited. The ability to participate in the program depends on the nature of the job, types, duration of any restrictions, and Flyte's ability to provide such work.

- 1) Employees on leaves of absence in excess of thirty (30) days must provide written certification to Human Resources from their physician every thirty (30) days to support their continued disability.
- 2) Request for an extension of a leave of absence must be made in writing prior to the expiration date of original leave, and when appropriate, must be accompanied by a provider's written statement that certifies the extension need.
- 3) Failure to return to work on the first workday without having contacted the company about the need for additional time, following the expiration of an approved leave of absence may be considered a voluntary termination.
- 4) Flyte works with the employee to provide reasonable accommodation, as applicable. A doctor's note must be provided to the immediate manager to begin the interactive process and to consider what type of accommodation would be suitable.
- 5) Eligibility for continued coverage under Flyte's group insurance plans is determined based on the type of leave. Details are explained to eligible employees at the time of leave.
- 6) Employees must make arrangements with Flyte to pre-pay their share of the first month's group insurance (or if enrolled in supplemental plans) premiums before going on any leave of absence which are longer than a pay period. Payment for additional months must be received by the first of the month. Failure to pay the share of the premium may result in loss of coverage. Certain types of leaves preclude cancellation of coverage, even if premiums are not paid by the employee. Employees who fail to return to work at the end of an approved leave of absence may be required to reimburse Flyte for group insurance premiums paid by Flyte while the employee was on leave.
- 7) Employees on leave of absence may be subject to lay off on the same basis as employees who are actively at work.
- 8) Flyte may hold in abeyance or proceed with any counseling, performance review or disciplinary action, including discharge, that was contemplated prior to any employee's request for or receipt of a leave of absence or that has come to Flyte's attention during the leave. If any action is held in abeyance during the leave of absence, Flyte reserves the right to proceed with the action upon the employee's return.
- 9) Requesting or receiving a leave of absence in no way relieves employees of their obligation while on the job to perform their job responsibilities capably and up to Flyte's expectations and to observe all Flyte rules, policies and procedures.
- 10) Employees on leave of absence must communicate with Flyte on a regular basis, at least once a month, regarding their status and anticipated return to work date.
- 11) Employees who return to work from a medical, pregnancy-related disability, family medical, or workers' compensation leave of absence may be required to submit to a physical examination, at Flyte's expense, to determine fitness for duty.
- 12) Employees on leave of absence who seek or accept other employment for work that is prohibited by leave restrictions or employment without following Flyte policy, may be subject to disciplinary action, up to and including possible termination. Such employment may not conflict with the employee's assigned schedule or responsibilities with Flyte.
- 13) Medical leave is considered time spent off work to satisfy the federal Family and Medical Leave Act and any State leave requirements (if eligible), where the law allows. If State and Federal laws conflict, the most generous law applies.
- 14) Employees returning from medical leave that concurrently satisfies requirements of FMLA, CFRA, PDL, or Organ or Bone Marrow Donor are entitled to reinstatement to same or comparable position. If such position is still available, if not, the employee is entitled to a position for which they are qualified.
- 15) An employee who is granted a medical leave of absence must use any accrued vacation, sick benefits and/or PTO during the period of his or her disability, unless the type of leave makes such use optional.
- 16) Vacation time and sick leave do not accrue during leaves of absence.



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- 17) Employees who falsify the reason for their leave of absence may be subject to disciplinary action, up to and including possible termination.
- 18) All foreseeable leaves of absence to be approved in advance, in writing, by an employee's supervisor.

Volunteer Time Off: As part of Flyte's commitment to community, all staff are entitled to paid time off for time spent working at a community non-profit organization or city sponsored community events. Part-time employees are allowed 15 paid volunteer hours per year, and full-time employees can earn up to 40 paid volunteer hours annually.

Labor Peace Agreement and Collective Bargaining: Flyte upholds strong labor standards in a diverse and supportive workplace environment. We have developed relationships with various labor unions for our other businesses and plan to partner with UFCW's local union as our workforce approaches twenty employees. Flyte plans to enter into a Labor Peace Agreement (LPA) with United Food and Commercial Workers (UFCW) 135 San Diego to enforce its labor values (BPC §26051.5(a)(5)). UFCW has organized and represented cannabis workers since 2011. Our contemplated LPA includes: (1) Agreements to prevent disruptions of labor organizations' efforts to communicate with and attempt to represent employees; (2) Facilitating access for the UFCW to areas where Flyte employees work to meet with employees and discuss the right to representation and employment rights; (3) The enactment of a card check process, in which union agents can obtain the signatures of workers on cards in a secret ballot election authorizing the union to represent the employees; and (4) other employment terms and conditions in accordance with the definition of "Labor Peace Agreement" (BPC §19300.5(w)). Flyte's owners have existing LPAs with UFCW, which is a "Bona Fide Labor Organization", for locations throughout California, and we look forward to engaging UFCW's local chapter to represent our Santee cannabis workers.

Employee Assistance Program (EAP): Flyte provides access to its EAP to all staff and families. Our history as small business owners has shown us employees face a myriad of complex challenges, such as financial or legal problems, substance abuse and family stress. An increasingly common problem employees face is racism and discrimination in various settings throughout their day-to-day lives and exposure to racial injustice and racially driven events taking place all over the country. We believe it is our responsibility to be there for team members when they experience racism, injustice, or any other personal difficulties, and to this end, we have developed a program to assist team members in resolving complex challenges as they arise. Staff will be provided with a network of professionals, counselors, and advisors to assist with the following: (1) 24-hour confidential counseling availability; (2) Community resource referrals for Mental Health, Social Security, Medicare, Hospice, and 12-step programs; (3) Mutual discount offerings to a wide range of local retailers that align with our beliefs; (4) Online training and resources to foster personal and professional growth; (5) Tuition and education subsidies; (6) Legal and Financial Professionals; and (7) Credit counselors and other financial resources. We look to add benefits to our EAP over time that relate to racism, the promotion of social justice, and other areas of need. If employees voice a concern, we take it into consideration and determine a possible way of incorporating new features to solve these problems for our employees.

Retirement Plan (401K): Flyte offers employees a 401K retirement savings plan. The Vanguard Simple 401k for small business allows Flyte to match staff contributions dollar-for-dollar up to 6% of staff compensation.

Continuation of Benefits: Under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA), employees and qualified beneficiaries are eligible to continue medical insurance benefits at slightly higher premium rates than Flyte pays. COBRA costs and eligibility are administered in accordance with all statutory requirements. The length of COBRA continuation coverage is determined by the qualified event from the list stated below. An employee who exhausts their 18 months of COBRA coverage and was entitled to less than 36 months of COBRA coverage, may have the option to choose up to 18 months of additional coverage under Cal-COBRA depending on the qualifying event. Group medical and dental coverage can continue when any one of the following "qualified events" occur: (1) Death of covered employee (spouse and dependent child of covered employee covered for up to 36 months); (2) Termination (other than by reason of gross misconduct) or reduction of hours of the covered employee's employment (coverage for up to 18 months for covered employee, spouse and dependent child); (3) Divorce or legal separation of the covered employee from the employee's spouse (former spouse and dependent child covered for up to 36 months); (4) The covered employee becomes entitled to benefits under Medicare (coverage for up to 36 months for the covered spouse and dependent child); (5) The dependent child ceases to be a dependent under the requirements of the plan (coverage for up to 36 months for the formerly dependent child); and (6) An employer's bankruptcy,



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but only as it relates to health care coverage for retirees and their dependents (coverage for up to 36 months). At the time of termination, or other qualified event, continuation information, time limits and procedures are given to the employee or sent to the employee that includes the benefit premium, terms and options available to the employee. Same-sex partners and spouses are qualified beneficiaries. Under Cal-COBRA, if a registered domestic partner was a health plan participant on the day before a qualifying event, they would be entitled to continuation benefits. If conversion is elected, it is the employee's responsibility to maintain the benefit premiums. The employee should notify Flyte if they have not received the COBRA paperwork within 30 days. After the continuation of benefits under COBRA concludes, the employee may convert their insurance to an individual plan by contacting the insurance carrier directly.

Employee Discounts: All Flyte staff receive a 25% discount on purchases. At the time of hire, each employee also receives a gift card with a \$5 store credit. Employees receive periodic store credit incentives on their gift cards. Any purchases for employees must take place before or after work, on a break, or on a day when an employee is not working. Only supervisors may apply the employee discount to purchases, and all employees, including supervisors, cannot ring up their own purchases. Flyte employees are prohibited from extending the company's 25% discount to any non-Flyte staff or contractors. We also encourage our employees to participate in reviewing products.

B.4. NON-DISCRIMINATION

Flyte's non-discrimination policy is grounded in our commitment to diversity and the importance we place on equality and creating an environment where employees from diverse backgrounds feel at home. Our hiring practices, compensation packages, and significant social equity component all emphasize fostering an environment of acceptance. Flyte embraces the Gender Sex Minority movement and strives to facilitate seniors and disabled persons in the workplace. The envisioned confluence of diverse employees and patrons obligates Flyte to adhere to a strict non-discrimination policy, which discourages intentional and unintentional discrimination in the workplace. Flyte's detailed anti-discrimination policy is featured in the Employee Handbook, and the policy includes but is not limited to, the following considerations:

Equal Opportunity Employment: Flyte is committed to equal employment opportunities for everyone without regard to race, color, national origin (including language restrictions and possession of a driver's license issued under Vehicle Code §12801.9), ancestry, religion (including religious dress/grooming practices), age, mental/physical disability, veteran status, military status, medical condition, sex (including pregnancy, childbirth, breastfeeding, and related medical conditions), marital status, denial of family and medical care leave, sexual orientation, gender, gender identification, gender expression, genetic characteristics, or any other consideration based on applicable law. Flyte pledges to maintain compliance with the federal Genetic Information Nondiscrimination Act (GINA).

Reasonable Accommodation: Flyte complies with the California Fair Employment and Housing Act and the Americans with Disabilities Act and reasonably accommodates a qualified individual with a physical or mental disability impairment.

Gender Identity/Expression: Flyte acknowledges the considerable diversity in gender expression and identity within our communities. We recognize that some employees and customers' gender identities do not fit within the gender binary and/or does not match their sex assigned at birth or perceived gender. We aim to support employees' and customers' right to express gender in the manner they see fit.

Discrimination and Harassment: Flyte commits to providing a workplace free of unlawful discrimination, harassment, retaliation, disrespectful or other unprofessional conduct. This policy applies to all persons involved with Flyte and prohibits intentional and unintentional discrimination and harassment by any employee, including supervisors and managers, as well as interns, volunteers, vendors, customers, contractors, suppliers, and/or any other third party that interacts with employees.

Lactation Accommodation: Our family-friendly policies and benefits support breastfeeding mothers by accommodating mothers wishing to express milk during their workday when separated from their children.

Complaint Procedures: Flyte encourages all employees to immediately report any incidents of harassment, discrimination, retaliation, or conduct prohibited by its policy so that complaints can be quickly and fairly resolved. If an employee feels they have been subjected to harassment, discrimination, retaliation, or other prohibited conduct, they should immediately notify their supervisor or manager. If an employee does not feel that the matter can be discussed with their supervisor or manager, the employee should communicate either verbally or in writing with the Human Resources Coordinator. It is best to submit the

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complaint in writing, but this is not mandatory.

Flyte will promptly and thoroughly investigate the complaint to determine whether misconduct has occurred. While complete confidentiality cannot be guaranteed, the Company will perform the investigation as discretely as possible. When necessary, employees are required to participate fully and honestly in any workplace investigation. Likewise, employees who are involved in any aspect of the investigation must comply with the directions given by the person conducting the investigation. The complaint will be investigated by an impartial and qualified individual who will ensure the investigation is documented and tracked to ensure reasonable progress. Where misconduct is found, Flyte will take appropriate corrective action in a timely manner. The investigation will not result in any retaliation against the complainant or any participant in the investigation. No notation of the complaint will be included in the complaining employee's personnel file and all records and documentation will be kept separately with limited access and to help preserve confidentiality. A Company representative will advise all parties, who have a business need to know, of the results of the investigation. To protect victims and alleged accused alike, all management personnel are charged with the responsibility of using the utmost discretion in investigating complaints. Any employee refusing to participate in an investigation may be disciplined up to and including termination. Employees who believe that they have been harassed may also file a complaint with the local office of the California Department of Fair Employment & Housing (DFEH) or the U.S. Equal Employment Opportunity Commission (EEOC).

B.5. OCCUPATIONAL SAFETY & HEALTH

Protecting employee safety and health is a top priority at the Applicant's proposed cannabis business. Chris and Martin Salem have taken heightened measures to prevent injury and illness at their gas stations, carwashes and convenience store, which are work environments that present many more significant hazards than at a commercial cannabis retailer. Their experience, combined with insight from consultancy Aspen Risk Management Group (ARMG), have helped Flyte develop a Safety and Health Management System that identifies various hazards at the facility, outlines policies and procedures for preventing those hazards and associated injury and illness, responding to incidents where those hazards have caused injury or illness, and initiate Corrective Action Preventive Action (CAPA) to understand where preventive measures broke down. The summary below highlights Flyte's commitment to workplace safety and health, injury and illness prevention, and hazard prevention and reduction protocols.

Industry Best Practices: Our collective experience and our work with ARMG has given us an intimate familiarity with applicable federal guidelines promulgated by Occupational Safety and Health Administration (OSHA). The prevention of work-related injuries and illnesses is imperative to the Flyte's overall success. Thanks to our understanding of and compliance with OSHA regulations, we currently maintain a perfect record of no injuries or serious illnesses among our collective staff in California across all of our owners' businesses. To replicate this commitment and comply with federal law, we have developed SOPs that are modeled after the OSHA VPP to exceed minimum OSHA requirements despite not qualifying for enrollment in the program. VPP's safety program consists of the following emphases: (1) Providing safeguards to the maximum extent possible; (2) Conducting periodic safety inspections to find and eliminate unsafe working conditions or practices; (3) Training all employees in safety and health practices; (4) Providing necessary personal protective equipment along with instructions for proper use and care; (5) Developing and enforcing safety rules; requiring employees to follow rules as a condition of employment; and (6) Investigating each incident promptly and thoroughly.

Collaboration with ARMG: As stated throughout this plan, ARMG has worked with the Salem brothers in a consultant capacity on all of their gas stations, car washes and convenience stores. They conduct a survey to assess injury exposures to the staff, review any recent workers' compensation claims, conduct a walk-through of the facility to understand current operations better, and provide recommendations or suggestions to help reduce potential injury exposure. Each inspection is accompanied by a written analysis of the overall facility, with respective citations and applicable provisions of the Code of Federal Regulations, links to relevant materials and resources that help develop SOPs, policies and protocols, and instructions on how to remedy certain deficiencies. ARMG is also available for follow up calls, site visits and other oversight assistance to ensure that all of their recommendations were implemented properly. Below are some excerpts from a recent inspection report provided to the Salem Brothers for the business located at 8617 Cuyamaca St in Santee, right across the street from Flyte's proposed location. These reports provide a roadmap to improved occupational health and safety outcomes with all of the relevant information and examples of shortcomings and nonconformance's discovered throughout the facility.



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Using these inspections and reports, ARMG will help guide and consult on occupational safety and health strategies for our proposed commercial cannabis business to prevent injury and illness for our staff and create a safe work environment.



*Dedicated to saving lives, preventing injuries & illnesses,
and protecting our clients from harm*

January 12, 2024

Chris and Martin, Salem
8617 Cuyamaca St, Suite 2
Santee, CA 92071

Sent via Email: chris@salementerprises.com
and martin@salementerprises.com

Subject: Follow-up to Safety Visit

Dear Chris:

I would like to extend my gratitude to you and your team for hosting me during the safety visit on January 3, 2024, at 8617 Cuyamaca St, Suite 2, Santee, CA 92071, 1403 S Santa Fe Ave, Vista, CA 92083 and 613 La Presa Ave, Spring Valley, CA 91977.

The purpose of my visit was to conduct a survey to assess injury exposures to your staff, review any recent workers' compensation claims, conduct a walk-through of your facility to understand your current operations better, and provide recommendations or suggestions to help reduce potential injury exposure.

It was shared that third-party vendors conduct electrical, landscaping, and plumbing work. Consider obtaining Certificates of Insurance. Certificates of insurance provide proof that a vendor carries insurance coverage. This helps mitigate risks associated with potential liabilities that may arise during the course of the vendor's work. It ensures that the vendor has the financial means to cover damages or losses resulting from their activities.

Implement well-defined robbery procedures to help ensure the safety of employees. Clear guidelines on what to do during a robbery, such as remaining calm, cooperating with the perpetrator, and following specified safety protocols, can reduce the risk of harm to employees.

- Approaching a robber can be risky, especially if the individual is armed or agitated. It may escalate the situation if the robber perceives a threat.
- Informing robbers that they are being monitored may act as a deterrent, dissuading them from continuing with their criminal activities.
- It allows for potential de-escalation without direct confrontation, reducing the risk of harm to individuals present.

Consider providing employees who work outdoors with safely visible vests. Safety vests are typically brightly colored with reflective strips, making employees more visible, especially in low-light conditions or areas with poor visibility. This enhances their identification, reducing the risk of accidents and collisions.



Specifically in areas with moving vehicles, safety vests significantly improve visibility for drivers. This is crucial for preventing accidents and ensuring the safety of employees working in or near traffic.

Also, setting a safe work area with safety cones when cleaning gas pumps is crucial to ensure the safety of both workers and customers. Here's how to properly set up a safety work area:

1. Ensure workers wear appropriate personal protective equipment (PPE) for the task.
2. Choose high-visibility safety cones that are durable and suitable for outdoor use.
3. Ensure the cones have reflective bands for increased visibility, especially in low-light conditions.
4. Position safety cones around the gas pump or pumps being cleaned to create a visible barrier.
5. Use additional signage to communicate that cleaning is in progress and that the area is temporarily closed for safety reasons.

The following pages include recommendations for each of the locations visited. Some recommendations may apply to all locations. For convenience, each location has a separate document identifying recommendations specific to what was observed while on site.

If you have any questions or require further assistance, don't hesitate to contact me.

Best Regards,

Celina Freeman, Risk Management Consultant
Aspen Risk Management Group

Office: (619) 294-9863, Cell: (619) 857-3806
Email: cfreeman@aspenrmg.com

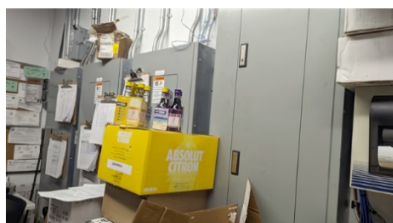
ADDENDUM 1

RECOMMENDATIONS & SUGGESTIONS

Based on observations made and information provided by you and management/supervisory personnel at the time of the visit, the attached list of suggestions and recommendations are provided for your implementation.

RECOMMENDATIONS by LOCATION

LOCATION: 8617 Cuyamaca St, Suite 2, Santee, CA 92071



Storage: Electrical panels are blocked. **Issued recommendation**



First Aid Kit in place.



Cut-resistant gloves in place.



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2024-01-12 Fire Prevention Plan

Develop and implement a written fire prevention plan. Minimum elements of a fire prevention plan. A fire prevention plan must include:

- A list of all major fire hazards, proper handling and storage procedures for hazardous materials, potential ignition sources and their control, and the type of fire protection equipment necessary to control each major hazard.
- Procedures to control accumulations of flammable and combustible waste materials.
- Procedures for regular maintenance of safeguards installed on heat-producing equipment to prevent the accidental ignition of combustible materials.
- The name or job title of employees responsible for maintaining equipment to prevent or control sources of ignition or fires; and the name or job title of employees responsible for the control of fuel source hazards.
- An employer must inform employees upon initial assignment to a job of the fire hazards to which they are exposed. An employer must also review with each employee those parts of the fire prevention plan necessary for self-protection.

Standard: OSHA 29 CFR 1910.39 <https://www.osha.gov/laws-regs/regulations/standardnumber/1910/1910.39> Cal/OSHA: <https://www.dir.ca.gov/title8/3221.html>

Policyholder use only	Assigned to: _____	Date: _____	Completed: _____
	Solution: _____		

2024-01-11 Emergency Procedures / Emergency Plan

Develop and implement a written emergency preparedness program, which is required of all employers with 11 or more employees. Develop and post procedures, and instruct all employees in medical emergency, fire, and building evacuation procedures. Scheduled training exercises and/or drills involving building evacuation, fire and other alarm notification, as well as training on extinguishing systems and other emergency procedures reduces the likelihood of serious problems during emergency.

Include personnel assigned to specific tasks or duties. These duties should include the following:

- Person in charge
- Person knowledgeable of sprinkler and fire detection systems.
- Person specifically designated to call the fire department.
- People trained in the use of fire extinguishers and in salvage techniques.
- Person knowledgeable of electrical, water and flammable gases to allow shutdown in an emergency.

The emergency plan/personnel can perform various duties such as spill control, snow monitoring or weather monitoring during severe storm warnings. The emergency plan is the first line of defense to prevent a disaster and minimizing effects of a fire or other incident.

Standard: OSHA 29 CFR 1910.38 <https://www.osha.gov/laws-regs/regulations/standardnumber/1910/1910.38>, Cal/OSHA: <https://www.dir.ca.gov/title8/3220.html>

Policyholder use only	Assigned to: _____	Date: _____	Completed: _____
	Solution: _____		

2024-01-02 Storage – Blocked: Fire Extinguishers, Exits, and Electrical Panels

Remove items blocking fire extinguisher, exits, electrical panels - should be accessible in the event of a fire or emergency evacuation. Establish a "clear zone" for fire extinguisher and exits. It may be a good idea to mark these areas with yellow striping and indicate "No Storage."

Refer to Cal OSHA standard sections §1922. Portable Fire Fighting Equipment <https://www.dir.ca.gov/title8/1922.html>

§2340.16. Work Space About Electric Equipment https://www.dir.ca.gov/title8/2340_16.html

§3222. Arrangement and Distance to Exits <https://www.dir.ca.gov/title8/3222.html>

Policyholder use only	Assigned to: _____	Date: _____	Completed: _____
	Solution: _____		

2024-01-10 Workplace Violence Prevention Program

Develop a workplace violence prevention program.

Workplace violence is violence or the threat of violence against workers. It can occur at or outside the workplace and can range from threats and verbal abuse to physical assaults and homicide, one of the leading causes of job-related deaths.

Create a zero-policy statement that the company will not tolerate any threats or acts of physical violence against any employee. Train employees not to make any joking statements of violence. This policy could include banning handguns, pocket knives, and other items such as wearing baggy clothing, gang tattoos or bringing explosives into the workplace. Discuss the policy with employees, and provide resources for persons to discuss violence issues.

Resources: <https://www.osha.gov/workplace-violence>, <https://www.osha.gov/sites/default/files/publications/factsheet-workplace-violence.pdf>, <https://www.osha.gov/workplace-violence/prevention-programs>, <https://www.osha.gov/sites/default/files/publications/osh3153.pdf>, https://www.osha.gov/sites/default/files/2018-12/fy14_sh-24922-sh4_Student_Manual-Employer_Checklist_for_Workplace_Violence_Prevention_Policies_and_Procedures.pdf

Policyholder use only	Assigned to: _____	Date: _____	Completed: _____
	Solution: _____		

2024-01-03 Exit Doors

Ensure that all Exit doors are kept unlocked, from the inside, to facilitate a quick and safe evacuation in the event of a fire emergency. If locking is necessary, for security reasons, the existing hardware should be replaced with panic bars.

Refer to Cal OSHA standard section §3235. Doors <https://www.dir.ca.gov/title8/3235.html>

Policyholder use only	Assigned to: _____	Date: _____	Completed: _____
	Solution: _____		

The Salem Brothers have been fortunate enough to maintain a perfect record with no serious adverse events across all of their businesses, and ARMG have been a significant part of this success in occupational health and safety. ARMG will surely be heavily involved in the operations of Flyte upon licensure to duplicate that commitment to illness and injury prevention, making Flyte the safest commercial cannabis business work environment.

Safety and Health Management System (SHMS): Flyte's written SHMS addresses the scope and complexity of potential hazards at the proposed cannabis business. Flyte is incorporating the following core principles of OSHA VPP into the SHMS's overall framework: (1) Management Leadership and Employee Involvement; (2) Worksite Analysis, Hazard Prevention and Control; and (3) Safety and Health Training. The SHMS accounts for specific variables such as size and complexity of the site and its hazards, staffing projections, potential expansion and scalability over time. Flyte ensures that communication between all owners, managers and day-to-day employees also increases alongside business traffic and worksite capacity. The final version of the written SHMS is consolidated into one document instead of several program documents to facilitate communication, simplify content for employees and promote accuracy of recordkeeping and data collection.

Management Commitment and Leadership: The SHMS clearly defines Flyte's core safety and health values and includes a policy statement that outlines what the retail storefront and delivery service commits to doing to accomplish its mission statement. Flyte's leaders set examples by practicing proactive visible behaviors that demonstrate a commitment to the

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SHMS including: (1) Establishing clear lines of communication; (2) Creating an environment that allows for reasonable employee access to management; (3) Clearly defining roles and responsibilities in writing with no unassigned areas to ensure all employees are able to describe their responsibilities with respect to safety and health; (4) Assigning commensurate authority to those who have responsibility; (5) Affording adequate resources to all employees including budget, equipment, training, etc.; and (6) Holding staff accountable for responsibilities and meeting safety and health requirements. The SHMS includes written annual goals that are clear, attainable, measurable, and relevant to bringing about a safe and healthy work environment. Flyte uses trending issues that cannabis businesses may experience over time as a baseline to drive goals and objectives. Flyte has developed a process to annually review and revise SHMS objectives and communicate with all relevant personnel regarding review, performance and potential changes. The review process includes specific correlations between annual results of the SHMS audit and objectives that help guide further system development.

Authority Line and Accountability: Flyte clearly outlines documented and communicated information (e.g. organization charts, job descriptions) regarding the assignment of line and staff for authority in the SHMS. The responsibility for achieving SHMS goals and objectives is distributed to all personnel and contractors. The Applicant also incorporates guidance from OSHA regarding SHMS authority delegation. Potential attempts to delegate too much authority in safety and health efforts likely results in failure as there is insufficient management leadership, which is necessary for successful injury and illness prevention. Our disciplinary process (policy, procedures, and consequences) accounts for SHMS infractions as well as a system of rewards, positive reinforcement and recognition for all SHMS performance.

Routine Inspections: The SHMS includes a system for tracking and monitoring results of self-inspections of the workplace. Self-inspections are conducted to confirm documented hazards and document any additional hazards added to the program due to updated SOPs, use of new equipment or any other change in overall operations.

Hazard Reporting: The SHMS includes an effective Hazard-Reporting System, which allows personnel to use specific tools to notify management in writing (or via alternate methods), without fear of reprisal about hazardous conditions. It provides timely and adequate response and ensures hazards are tracked until abated or controlled. A minimally effective system identifies hazards associated with normal operations at the site. Flyte conducts regular hazard reporting inspection that verifies that existing controls are still in place and effective. Flyte understands that a dynamic retail environment and a delivery service environment where conditions change frequently may need more frequent inspections.

Hazard Prevention: A hazard controls plan is developed based on the aforementioned studies that quantify and qualify specific hazards that employees encounter throughout daily operation. The severity of the hazards and the risks that the hazards pose to personnel are also taken into consideration when developing hazard controls. Flyte uses a risk matrix to help decide which hazards would be appropriately mitigated with elimination, engineering controls and administrative defense. Flyte has defined the following hazard control, response and mitigation categories overall for retail storefront and delivery operations: (1) General Housekeeping (Interior and Exterior); (2) Locations of Fire Extinguishers, Exits and Electrical Panels; (3) Robbery/Theft; (4) Electrical Hazards; (5) Exposures to Airborne Contaminants; (6) Exposure to Bloodborne Pathogens; (7) Heat Illness; (8) Mechanical Hazards; (9) Point of Operation Hazards; (10) Pressure Vessels; (11) Repetitive Motion Injuries; (12) Sanitation and Pest Control; (13) Slips, Trips, Falls and Use of Ladders; (14) Natural Disaster e.g. Wildfire, Earthquake; (15) COVID-19; (16) Vehicular collisions; (17) Robbery/Theft; (18) Workplace violence; and (19) Active Shooter situations. Each of these potential workplace hazards is accompanied by its own prevention strategies and if they do occur, response protocols. Identifying these hazards preemptively and having plans in place to prevent their occurrence is key to a healthy and safe workplace.



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SECTION C: SECURITY PLAN

C.1. QUALIFIED PROFESIONAL SECURITY CONSULTANT

Samuel Yador
Security Consultant
ArmorTech Security
California License # PPO 199899
Phone # 646-842-8387 (Mobile)
Email: Syador@armortechinc.com



October 16th, 2024

To the City of Santee:

Security Consultant Experience

To Whom It May Concern:

As the designated security consultant/representative/liaison to the City of Santee on behalf of Flyte, I've been tasked in the preparation of the attached Security Plan for your review and consideration. Per your request, this Security Plan has been condensed to meet Phase 1 and 2 requirements for consideration. A comprehensive plan will be submitted as required for processing and evaluation upon award of licensure.

The complete Security Plan will not only be used as part of the qualifying documents for license application submission but will serve as the overall policy guideline that directs the development and implementation of an ongoing security operations plan for Flyte. During any part of the screening and selection phases, I will be available to meet with the City Manager and the San Diego County Sheriff, or their designees, regarding any questions arising from our security measures and/or concepts.

During my service within the armed forces, my experiences provided me with an extensive background in military logistics, law enforcement, special operations support and multi-branch operations. In addition, I've developed numerous cannabis business Security Plans across all licensing types, which have since been submitted with cannabis business license applications. Having analyzed many cannabis businesses throughout multiple states, I've been fortunate to witness the success and failures of many firsthand; proving myself with a solid framework to merge best security practices with operational business applications. Nevertheless, this Security Plan will serve as a living document; constantly evolving with the needs of the cannabis industry and the general public.

I look forward to working with the City of Santee and the San Diego County Sheriff on a long-term basis. Thank you once again for your time and consideration.

Sincerely,

Samuel Yador

Samuel Yador
ArmorTech Security



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October 22, 2024

TO:
City of Santee
Cannabis Program
10601 Magnolia Ave
Santee, CA 92071
Cannabisinfo@cityofsantee.gov

FROM:
Chief David Bejarano (ret.)
Email: david@bejaranogroup.com
Phone: (619) 602-0718

RE: Letter of Recommendation for Chris and Martin Salem

To Whom It May Concern,

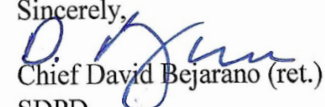
It is my pleasure to submit this letter of recommendation on behalf of Chris and Martin Salem. I previously served as the Police Chief for the San Diego and Chula Vista Police Departments, the U.S. Marshal for the Southern District of California, and President of the California Police Chiefs Association. Over the last three years, I have had the distinct pleasure of working with Chris and Martin on various initiatives aimed at enhancing security measures and preventing crimes at their numerous police and State regulated business ventures throughout San Diego County.

Our interactions have primarily focused on ensuring their establishments not only adhere to, but exceed the standards set forth by local, state, and federal laws and regulations, community expectations for safety, public health, and crime prevention. Chris and Martin have consistently demonstrated an initiative-taking approach in working closely with local law enforcement, showcasing their commitment to maintaining a safe and secure environment for both their customers and the community at large.

Their diligence in operating in strict compliance with all California Department of Alcoholic Beverage Control (ABC) regulations serves as a testament to their capability and responsibility as business owners. They have effectively implemented comprehensive security measures, including state-of-the-art surveillance systems, rigorous staff training programs, implementation of security policies and protocols and state-of-the-art access control systems, which have significantly contributed to deterring criminal activities and ensuring the safety of their premises.

Given their exemplary history in managing their existing businesses, I am confident in Chris and Martin's ability to translate their extensive experience and dedication to safety to the operation of their proposed cannabis business. Their unwavering commitment to upholding the highest standards of security and their proactive engagement with law enforcement agencies to prevent criminal or illicit activities make them exceptionally well-suited to undertake this new venture.

Thank you for considering my letter of recommendation for Chris and Martin's application. If you have any questions or need more information, please feel free to call me.

Sincerely,

Chief David Bejarano (ret.)
SDPD



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C.I.A. SECURITY EXPERIENCE

Flyte's owners have gained experience in preventing and handling potential criminal, fire, medical, and hazardous emergency situations through cannabis and non-cannabis business ventures. Flyte's Security Plan melds the cannabis industry security experience of Owners Ramiz Naoum and Mazin Stephan's with the security experience in petroleum and general retail of Owners Chris and Martin Salem, who also understand the specific security needs for operating a business in Santee. Flyte has consulted with a team of renowned security experts, described below, to develop our Security Plan and all associated standard operating procedures (SOPs) for operational security, inventory security, cash handling, perimeter security, employee training, and other areas of security operations that are specifically designed to protect the premises, product, patrons and employees.

Part of our ability to effectively deter crime and prevent emergencies is the team of consultants and third party vendors that support us through the development, implementation and auditing of our Security Plans. **Armortech Security** is our professional security consultant with whom owners Ramiz Naoum and Mazin Stephan have been working closely for the last five (5) years at their commercial cannabis retail location in Vista. The **Bay Alarm Company** provides intrusion detection alarms, fire alarms, access controls and various other technologically based forms of security and remote monitoring services to prevent theft, crime and other serious adverse events during operational and non-operational hours. Owners Chris and Martin Salem also have an existing relationship with former Chula Vista Chief of Police and California Security Professional **Chief David Bejarano** and occupational health and safety consultant **Aspen Risk Management Group** from their non-cannabis businesses in Santee and other locations in San Diego County.

Armortech Security: Yador Enterprises DBA Armortech Security (BSIS PPO 119899; BSIS PI 28168) is a California-based, licensed, bonded and insured risk mitigation firm serving various communities throughout California. Services include security guard and patrol, security officer training, private investigations, live-scan, and consultation services for state, federal, and cannabis-based entities. Armortech is a registered Small Business under the Small Business Association (SBA) with additional certifications as a Minority and Service-Disabled Veteran-Owned Small Business (SDVOSB). Established in 2011, sub-companies include Spartan Transport Systems, providing covert transport and driver safety training; Focal Point Academy (BSIS License TFF 1512 & TFB 1273), providing baton and firearm training services; and ATS Investigations (BSIS PI 28168), a private investigations firm specializing in background and workplace investigations. Samuel Yador, CEO of Armortech Security, is a US Military veteran with an extensive background in military logistics, law enforcement, special operations support and multi-branch operations. Educational Background includes a B.S. degree in International Security and Conflict Resolution with a specialty in Global Systems from San Diego State University; International Relations from the University of St. Petersburg, Russia; Certification as a Conflict Mediator from the National Conflict Resolution Center in collaboration with the University of Bologna in Rimini, Italy and International Politics from the University of Tartu, Estonia. With current services as a Private Investigator (PI 28168), National Conflict Mediator, BSIS Firearm (TIF 2241), Baton (TIB 1847), NRA Firearm (NRA #187173998), UCSD Low Voltage Data Technician, Department of Justice Firearm Safety Instructor, Risk Management Instructor, and San Diego Sheriff Concealed Carry Weapon Instructor, we are confident his input will be invaluable to our security operations. Armortech Security has proven experience in developing and implementing dispensary and general commercial cannabis security plans and has been contracted to develop and integrate Flyte's Security Plan. Some of Armortech's past and current performance experiences include, but are not limited to the following: (1) Servicing almost all Off The Charts locations, which is the largest family-owned and operated cannabis consortium in California; (2) Customs Drug Interdiction and Consulting- Accra, Ghana- West Africa; (3) High-Value Transport and Security Detail- Jade Buddha for World Peace- San

SECTION C: SECURITY PLAN





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Diego, CA; (4) On-Site Security Detail- David and Sons Jewelers- La Jolla, CA; (5) Cannabis Security Planning and Security Detail- GRDTC- Long Beach, CA; (6) Cannabis Dispensary Security – Cali Green World – Moreno Valley, C; (7) Cannabis Dispensary and Lounge Security Plan – PleasureMed, LLC – West Hollywood, CA; and (8) On-Site Protection Detail- Westime La Jolla- La Jolla, CA. Samuel Yador is our Security Consultant and designated Security Representative/Liaison to the City and maintains all of the security-related responsibilities promulgated by Santee Municipal Code and MAUCRSA. Prior to Security Personnel first day assigned to work at Flyte’s Santee premises, Sam will send the City of Santee and the San Diego County Sheriff’s Department (SDCSD) content information of Security Personnel, with copies of state-issued licenses and permits, government-issued identification forms, and photographs of uniforms and badges. Armortech ensures all guards carry a current Bureau of Security and Investigative Services (BSIS) card and that all armed guards possess a current Firearms Permit.

Retired Chula Vista Police Chief David Bejarano: Owners Chris and Martin Salem have also elicited the support of David Bejarano, who was the former Chief of Police in the City of Chula Vista. Chief Bejarano is a nationally recognized law enforcement executive and security professional whose law enforcement’s career spanned over 35 years, with an additional 10 years of private security and consulting experience. He previously served as the Police Chief for the Chula Vista and San Diego Police Departments, the US Marshal for the Southern District of California, and was President of the California Police Chiefs Association (CPCA). Over the course of his public service and currently, he serves on a number of community based organizations and local and national law enforcement organizations. He was appointed by the Governor of California to represent California Chiefs on the Governor’s “California Emergency Council”, and was selected and served on Lt. Governor Cruz Bustamante’s “Commission One California.” Mr. Bejarano is a former member of the Police Executive Research Forum Board of Directors. He is currently the President of the California Police Chiefs Association and former President of the San Diego County Chiefs and Sheriffs’ Association. He also served on the IACP Executive Committee representing California and Hawaii law enforcement executives. Mr. Bejarano has been the recipient of numerous awards, including being recognized as one of San Diego’s “50 Persons to Watch” (2000); one of the nations “100 Most Influential Hispanics” (1999); San Diego “Diogenes Award” for candor and professionalism in dealing with the news media (2000), and the San Diego Mediation Center’s “2003 Peacemaker Award.” Additionally, Chief Bejarano completed hundreds of hours of security and crime prevention training, including training provided by the U.S. Secret Service and at the FBI National Academy. During his tenure as the CPCA President, he led a small group of police executives who provided public safety recommendations to the Governor of California and the Attorney General. Now retired from law enforcement, Chief Bejarano provides consulting services to various businesses across California to further his commitment to public safety while in retirement. To that end, he has conducted on-site security assessments, prepared and implemented Security Plans, reviewed employee background investigations, and provided ongoing consulting for all of the Salem Brothers’ petroleum and retail businesses.



Aspen Risk Management Group (ARMG): ARMG is a TRISTAR company that reviews, audits and addresses essential workplace safety concerns, including loss prevention, occupational health and ergonomics. Owners Chris and Martin have successfully utilized their consultation services to conduct internal workplace safety audits for multiple locations including their gas station/convenience store across the street from our proposed location at 8617 Cuyamaca Street in Santee. The purpose of their visits serves to conduct a survey to assess injury exposures to staff, review any recent workers' compensation claims, conduct a walk-through of the facility to better understand the current operations, and provide recommendations or suggestions to help reduce potential injury exposure. Collaboration with ARMG has equipped the Salem Brothers with advanced strategies in operational security, including developing and enforcing verification SOPs aimed at preventing sales to minors and ensuring overall community safety. ARMG will be instrumental in the development and implementation of various SOPs, policies and protocols for our proposed cannabis retailer in Santee, and we look forward to their input in helping us create the safest environment for customers and employees in all of California.





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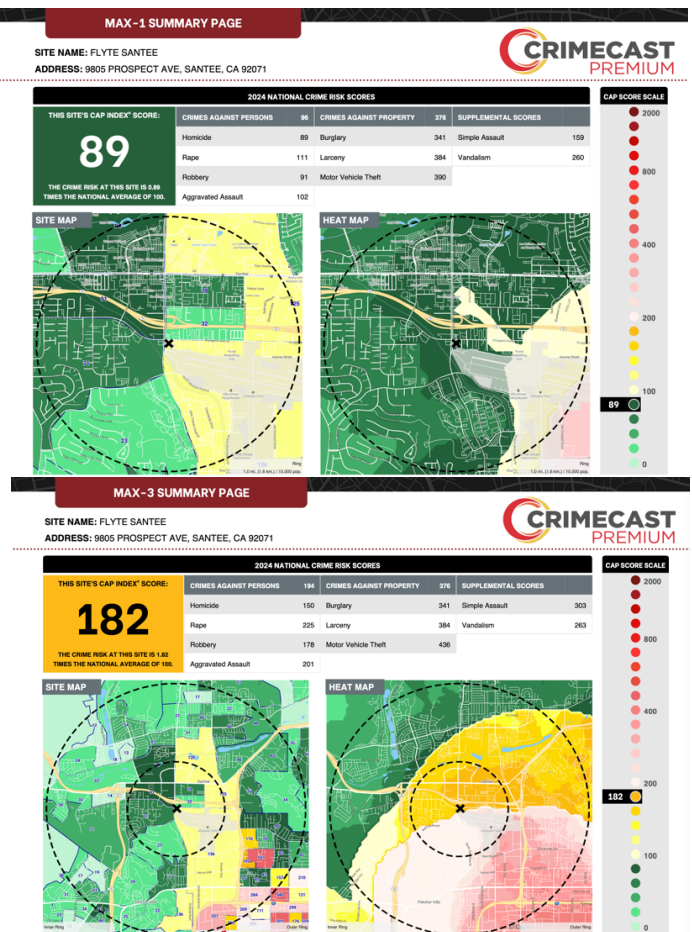
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Security Paradigm: Our security consultants and vendors each apply their own expertise to form a collaborative approach to overseeing Flyte's security operations. During the application phase, Armortech Security provides input on the Security Plan, analyzes the facility to ensure we understand potential security chokepoints and communicates other important information to our Owners that is pertinent to local security compliance. During the facility outfitting phase, Armortech, Bay Alarm and Chief Bejarano collaborate with ownership and our other security contractors to implement physical security design and other aspects of our program in adherence with our application; this includes camera locations, alarm system component locations, perimeter security measures and other aspects of operational security. Once the business is operational, Armortech Security provides Security Personnel that are licensed by the Bureau of Security and Investigative Services (BSIS) and that execute all of the directives and protocols listed below under **C.5.C. Security Personnel**, Armortech provides ongoing training in site-specific aspects of the business's Security Plan for both Armortech personnel and employees; Chief Bejarano participates in these training sessions to offer his expertise and perspective so Security Personnel and staff are fully prepared for whatever happens at the facility. The Bay Alarm Company coordinates with both Armortech Security and David Bejarano to design and implement an alarm, surveillance and remote monitoring system that has the necessary components and notification systems to detect and respond to emergencies. The Aspen Risk Management Group helps us prevent injury and illness for employees and patrons throughout all operations by auditing the design and management of our facility, identifying potential hazards in the workplace and providing us with strategies on how to mitigate those hazards. Armortech Security works in tandem with Chief Bejarano and Bay Alarm Company to continually audit the Security Plan over time to ensure its continued effectiveness. Our team of security experts serve Flyte in all its cannabis business safety and security operations to ensure safety and security for our staff, clients, and the community.

C.1.B. CAP INDEX CRIMECAST RISK ANALYSIS

In addition to the security experts highlighted above, we have also partnered with security risk analysis experts CAP Index Crimecast to ensure we have a baseline understanding of the area surrounding our facility and to maximize effectiveness of our perimeter security SOPs. The CAP Index Scoring System uses sophisticated forecasting techniques that combine demographic and business statistics with crime and loss data to calculate crime risk. CAP Scores range from 0-2000, with 0 representing lowest risk and 2000 the highest; 100 is average. This includes Crimes Against Persons, such as homicide, robbery, aggravated assault, and rape, along with Crimes Against Property such as burglary, larceny, motor vehicle and vandalism. The adjacent diagrams depict the likelihood of certain crimes within a one-mile and three-mile radius of our location of 9805 Prospect Ave. Santee, CA 920171. The **Site Maps** show Block Group Score for each neighborhood surrounding a location and depict potential origin of criminal activity occurring at the location. These are broken down between various US Census Bureau block groups, with each one typically containing thousands of residents with similar socioeconomic characteristics and associated numeric risk scores with corresponding risk shading. The **Heat Maps** provide an alternative view of the risk of crime within the map window. Crimecast Heat Maps are developed by calculating the CAP Index Scores for every point on the map and then shading its corresponding risk level. Crimecast Reports also include a Crime Score Summary for a total of 108 risk scores- 12 for each of 3 geographic levels and 3 time

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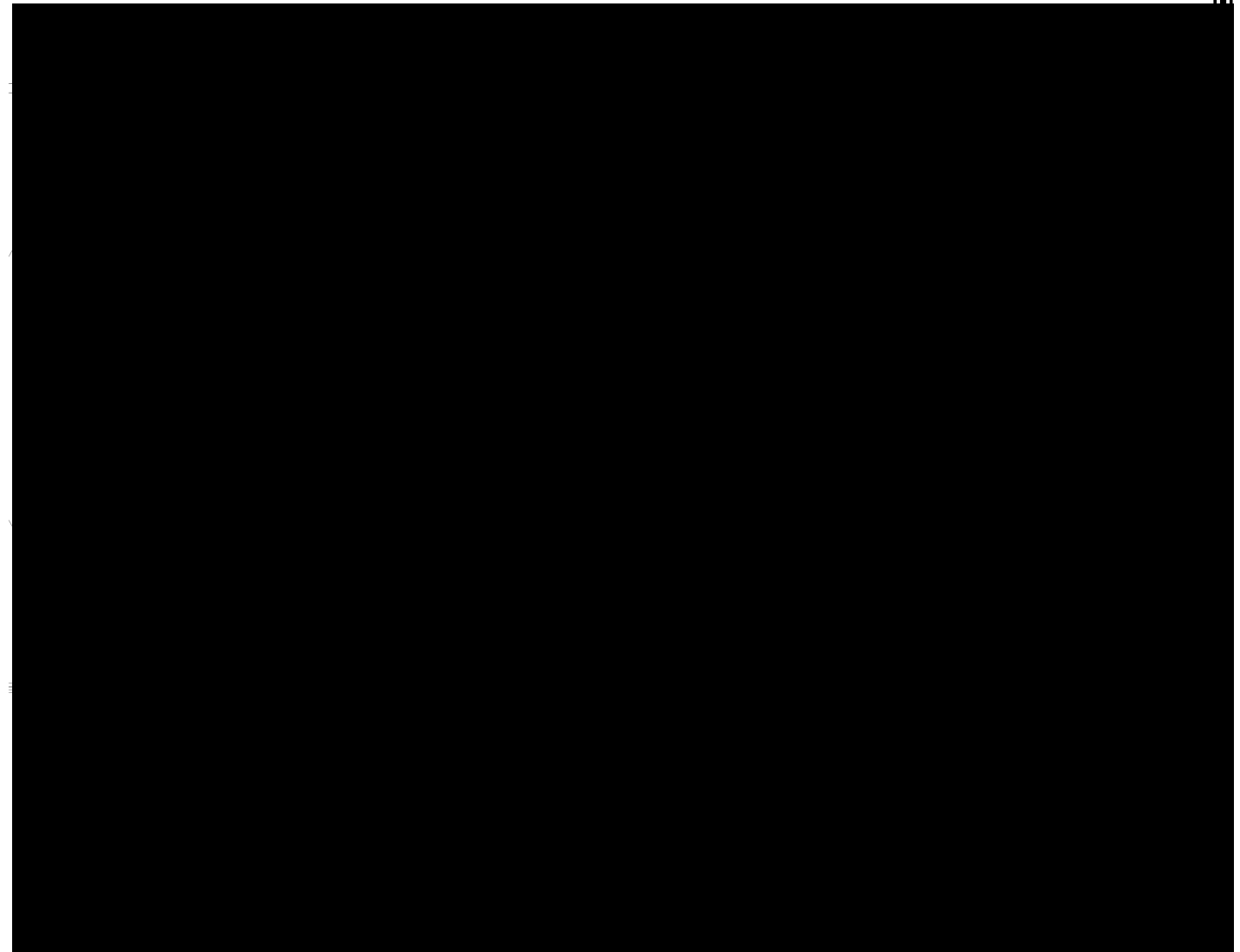
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periods. The National Scores provide a given site's risk in comparison to all 50 states and the District of Columbia broken down by crime category, while the State Scores compare the site to the state averages and the County Scores to the county averages. Past, Current, and Projected risk scores are provided to allow for trending. This data is integral to our staff and our security team's preparedness to prevent crime, theft and other serious adverse event that compromises public safety.

The proposed location's scores of 89 and 182 represent a lower-than-average propensity for crime to occur within a one-mile and three-mile radius of the facility respectively. The three mile radius is significantly higher than the one mile radius because the three mile radius includes a large portion of El Cajon to the Southeast, which is represented on the map by the pinkish-red shaded area. Even despite the lower-than-average crime risk, it is imperative that we maintain awareness of the overall neighborhood's composition and how we fit into the overall security paradigm of the neighborhood and community. Our Security Plan incorporates various security systems and protocols that have been specifically designed in alignment with Crimecast's neighborhood analysis and perceived areas of threat.

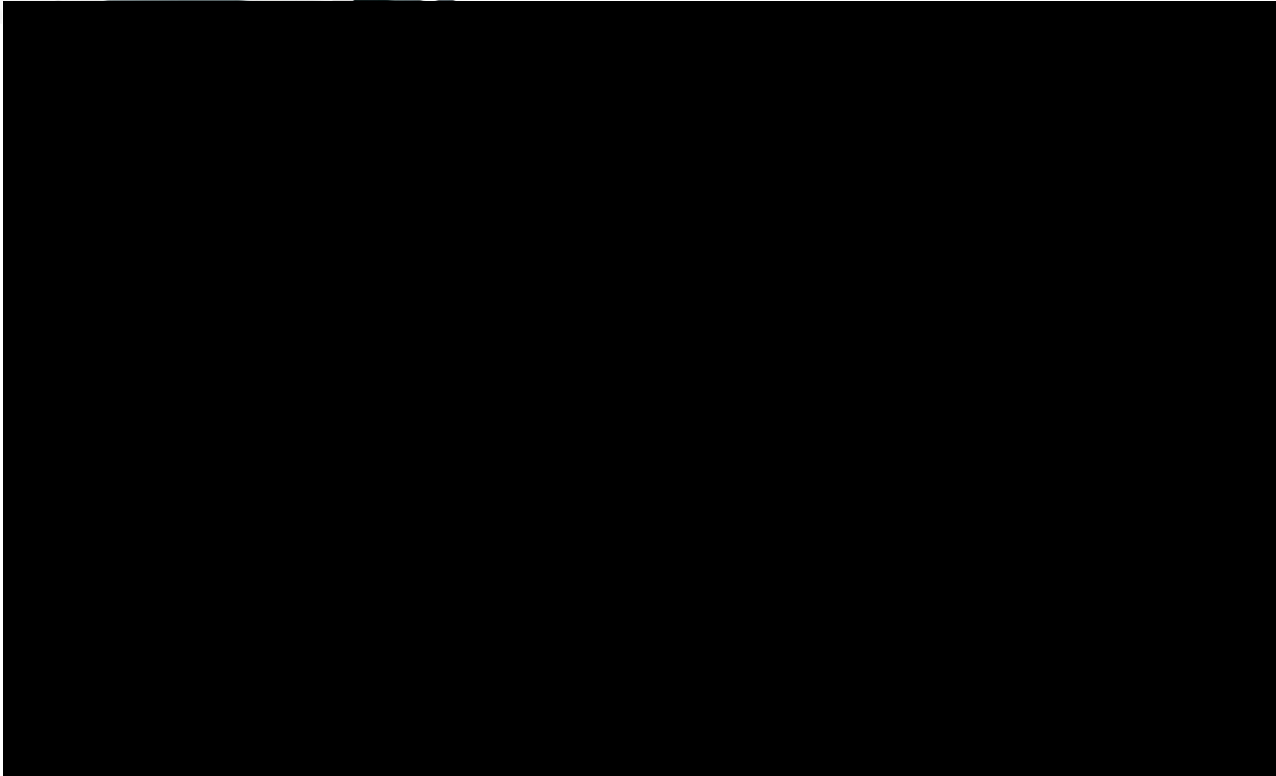
C.2. PREMISES SECURITY DIAGRAM





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PROJECT ID

9052



C.2.A. DESCRIPTION OF ACTIVITIES THROUGHOUT THE PREMISES

Our retail storefront and delivery service are designed to exceed local and state security requirements and to compartmentalize aspects of cannabis operations into designated areas for increased efficiency. Each room where cannabis is stored or held and is only accessible to Flyte or its employees is considered a Limited Access Area (LAA). Below is a summary and brief description of all cannabis activities that take place in each area of the premises:

Lobby (242 sqft): Client check-in; Identification (ID)/recommendation verification; and Visitor check-in; if the Retail Area is at maximum capacity, customers and patients wait in the Lobby, which is stocked with educational materials about our company, our store, our values, product line, cannabis consumption and cannabis pharmacology; and main alarm panel storage.

Retail Area (1,174 sqft): Temporary cannabis storage; Customer education; Viewing of sample products accompanied by a Cannabis Consultant, Team Lead, or Manager; Cannabis sales using a Meadow POS-linked mobile device during high traffic times; Double verification of ID/recommendation; Customer sales; Transaction processing; Exit guidance/observation; Cannabis display; Surveillance that identifies all persons and activities in the Retail Area; Surveillance of all point-of-sale areas; Video surveillance with facial recognition of any customers/patients; and Odor control. Product shelves and display cases that hold cannabis products are considered LLAs. (Partial LAA)

Limited Access Retail Fulfillment Room (219) sqft: Inventory control; Monitoring and reporting; Metrc operation; Quality assurance; Bulk cannabis storage; Checking cannabis goods in and out of storage; Transfers to Retail Area; Cash counting; Cash storage; Cash pick-ups/drop-offs; Cannabis waste storage; Waste rendering; Odor control; Video surveillance that clearly records all activity and can identify any person and activities throughout Retail Fulfillment Storage; diversion prevention; and Diversion investigation.

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Vendor Intake/Dispatch (103 sqft): Staging deliveries of cannabis goods; Unloading of incoming shipments; verifying Shipping Manifests; and Verifying Certificates of Analysis. Employees enter and exit through this entry point and customers are prohibited from entering. Dispatch activities including Pre-registration of customers; Address verification; Delivery order preparations; Delivery loading; Creating routes; Driver dispatch and communication; and Customer service. (LAA)

Office (95 sqft): Records storage; Video surveillance analysis; Digital Video Recorder (DVR) Storage; Physical and electronic records storage; Storage of City contacts; Educational materials development and storage; Employee interview; Hiring and onboarding; Employee badge storage; Marketing/advertising development; and Strategy meetings on community benefits. (LAA)

Break Area (153 sqft): Employee meals and rest periods for retail employees; Team meetings; Employee training; Employee handbook storage; and SDS storage.

Restroom (55 sqft): Remains locked and under control of management at all times.

Vault (40 sqft) : Storage of currency; SmartSafe Vault; Cash counting; Handling; and Deposit preparation. (LAA)

Facility Exterior: Customer and employee parking; visitor parking; Parking flow management; Roaming security patrols; Enforcement of anti-loitering policy; Enforcement of cannabis consumption prohibition; Enforcement of tobacco and alcohol consumption prohibition; Odor emission daily inspections; Daily lighting inspections; Daily landscaping inspections; Video surveillance; and KnoxBox storage.

C.3. OPERATIONAL SECURITY

Our Security Plan's main goal is to instill safety and security for all customers, patients, employees, and visitors at our retail storefront and those who purchase cannabis goods from our delivery service. We combine detailed standard operating procedures (SOPs) with heightened security measures to deter and prevent theft, diversion and unauthorized entrance into areas containing cannabis goods to create a highly functioning facility that is safeguarded from all security threats. The Security Plan adheres to all requirements and guidelines of the Santee Municipal Code (SMC), which are designed to safeguard property and public welfare by regulating and controlling for burglary prevention purposes. We have taken extensive measures to professionally vet the policies, procedures, and systems in place to provide comprehensive protection of our facility, our staff, our customers, and the community. We continually work with City officials, law enforcement and other stakeholders in local communities to enlist their input and guidance throughout our business' evolution.

Every location has unique security concerns and protection requirements based on its operations, unique threats, exposure, locations and design, but the overarching core principles of our Security Plan remain applicable to operations at each of our facilities. In order to protect the premises, patrons and product, Flyte operates in accordance with the following:

- 1) The following individuals are permitted to access to the premises: (a) employees, (b) customers, (c) authorized vendors, (d) City personnel, (e) State officials, (f) emergency responders and (g) law enforcement;
- 2) Any door that is intended to serve as a barrier between the public and private areas of the store must remain closed and locked at all times, except for the moment when an authorized individual is actually walking through it;
- 3) Each employee wears a Company-issued identification badge at all times while at a store;
- 4) All non-customer visitors must wear a Company-issued visitor badge and indicate the times of entrance and exit to any limited access areas of the Premises;
- 5) At least two employees are to be on-site at all times during regular business hours to ensure that the store has at least two persons present from opening to closing.
- 6) The facility is designed with separate Limited Access Areas (LAAs) where cannabis, cash, currency, and sensitive documentation is held or stored, and we implement a tiered hierarchy of access to these areas depending on employees' job functions;
- 7) All cannabis and cannabis products are maintained within Flyte's chain of custody using an inventory management, control and reporting system that documents the present amounts and descriptions of all products held onsite;



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- 8) The facility is designed with the following physical security systems, which are described further below in **C.5. Perimeter Security**: (a) Intrusion detection and alarm; (2) Exterior Lighting; (3) Video Surveillance; and (4) Physical barriers;
- 9) OnGuard Security Personnel enforce perimeter and interior security;
- 10) Employees only have access to the portions of the store that relate to their function at work; individual employees have authorized zones within their work environment and not all have the same access;
- 11) All employees receive training in accordance with the Personnel Policies and Procedures of Flyte, with such training to be conducted by experts in the respective areas;
- 12) All staff and management receive comprehensive training in safety, security and general operations, which is outlined below under **C.6. Employee Training & General Security Policies**;
- 13) Bay Alarm has developed and is installing a comprehensive framework for surveillance, intrusion detection and access control;
- 14) Bay Alarm Company carry out remote monitoring and alarm response in the event of a security breach;
- 15) Flyte has a Security Liaison/Representative that maintains specific responsibilities outlined in SMC § 7.04.320(B) and is available to any City Official at any time upon request;

Most security failures occur with respect to operational security, and thus we put in place specific procedures and strict accountability measures to diminish the likelihood of a failure in this area. Flyte's management understands the importance of creating a security culture to assist in the overall success of the security program and emphasizes the importance of security to all employees. Managers follow all security policies and procedures in order to set an example of and promote compliant culture. A manager is on duty during all business hours, and the designated Security Consultant is available at any time to aid onsite managers in upholding the Security Plan for the business. Every Flyte employee is considered part of the security program, and each designated role has specific responsibilities with respect to security. Through awareness, fluid communication and demonstrated experience by ownership, employees are taught to understand the relationship between security and the organization's success, learn their security obligations, understand how various security measures support the business' overall objectives and become familiar with available resources to uphold their security duties.

Incorporation of Industry Best Practices: This Security Plan incorporates guidelines, cross-dimensional compliance thresholds and best management practices from Crime Prevention Through Environmental Design (CPTED), DEA Diversion Control Division: Controlled Substances Security Manual, FDA Drug Supply Chain Security Act (DSCSA), IESNA Guidelines for Security Lighting, National Industrial Security Program Operating Manual (NISPOM), OSHA General Duty Clause (29 U.S.C. §654(5)(a)(1)), Unified Facilities Criteria (UFC 4-021-02) Electronic Security Systems and Underwriters Laboratories (UL-608) Standard for Burglary Resistant Vault Doors, and various other regulatory bodies and leading oversight agencies.

Compliance Overview: Flyte implements sufficient security measures that deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products and to deter and prevent the theft of cannabis or cannabis products at the facility. The specific security measures are identified and outlined in the operations plan. These security measures include, but are not limited to, all of the following:

SMC § 7.04.320(A)(6): Sensors are installed to detect entry and exit from all secure areas and monitored in real time by Bay Alarm Company, a security company licensed by the State of California Bureau of Security and Investigative Services.

SMC § 7.04.320(A)(7): Panic buttons are installed with direct notification to the San Diego County Sheriff's Department (SDCSD) dispatch and are configured to immediately alert dispatch for the SDCSD.

SMC § 7.04.320(A)(8): A professionally installed, maintained, and monitored real-time alarm system is installed by the Bay Alarm Company, a security company licensed by the State of California Bureau of Security and Investigative Services. Flyte will obtain an alarm permit from the SDCSD and make all information related to the alarm system monitoring and alarm activity available to the SDCSD upon request.

SMC § 7.04.320(A)(9): Windows and roof hatches are secured from the inside with effective means so as to prevent unauthorized entry and are equipped with latches or a similar mechanism that may be released quickly from the inside to



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allow exit in the event of an emergency.

SMC § 7.04.320(A)(10): Armed Security Personnel contracted by ArmorTech Security will be on-site at Flyte twenty-four hours a day (unless alternative security as authorized by the City Manager and approved by the SDCSD in writing is set out) and will have a verified response security patrol when closed. Our Security Personnel are licensed by the State of California Bureau of Security and Investigative Services personnel and will be subject to the prior review and approval of the City's SDCSD, with such approval not to be unreasonably withheld.

SMC § 7.04.320(A)(11): Flyte has the capability to remain secure during a power outage and ensures that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.

SMC § 7.04.320(A)(12): Entrance areas remain under the control of either a Flyte employee or a licensed security professional during all hours of operation.

SMC § 7.04.320(A)(13): Flyte uses Meadow POS software as their chosen accounting software to provide point-of-sale data as well as audit trails for both product and cash where applicable.

SMC § 7.04.320(A)(14): Flyte is able to demonstrate compliance with the state's track and trace system for cannabis and cannabis products, Metrc, as soon as we are operational.

SMC § 7.04.320(A)(15): Flyte will have a professionally installed, maintained, and monitored real-time video surveillance system, access control and intrusion alarm system designed to protect the inventory, facility, and employees by the Bay Alarm Company, a security company licensed by the State of California Bureau of Security and Investigative Services. Our network security protocols are certified by Underwriters Laboratories, LLC.

SMC § 7.04.320(A)(16): We plant, alter and maintain all exterior vegetation in a fashion that precludes its use as a hiding place for persons on the premises. Any considerations for landscape updating, improvement or alteration are made with respect to security and upholding this standard for exterior landscaping.

SMC § 7.04.320(A)(17): Flyte's security measures, including emergency access and emergency evacuation plans, comply with State and local fire safety standards.

SMC § 7.04.320(A)(18): High pitch frequency devices, "mosquitos," are installed and serve as a deterrent for vandalism and loitering.

SMC § 7.04.320(B): Flyte's security consultant, Samuel Yador of AmorTech Security, will act as the designated security representative/liaison to the SDCSD, who shall be reasonably available to meet with the SDCSD and/or the City Manager regarding any security-related measures and/or operational issues. Our security consultant will maintain a copy of the current security plan on the premises to present to the City Manager upon request that meets the following requirements: (1) Confirms that a designated manager is on duty during business hours and is responsible for monitoring employee behavior; (2) Provides the names and contact information of all managers of the business; (3) Confirms first aid supplies and operational fire extinguishers are easily accessible, located in the services areas and the manager's office; (4) Confirms that burglar, fire and panic alarms are operational and monitored 24 hours a day, seven days a week by Bay Alarm Company, a security company licensed by the State of California Bureau of Security and Investigative Services, with Bay Alarm Company contact information provided on the plan; and (5) Identifies a sufficient number of licensed, interior and exterior security personnel who monitor individuals inside and outside the cannabis business, parking lot, any adjacent property under Flyte's control, and ensures that the parking lot is cleared of employees and their vehicles one half hour after closing.

SMC § 7.04.320(C): We have developed a Storage and Transportation Plan that describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, any hazardous materials that may be used by Flyte, and any currency; sections of this plan are summarized throughout this application.

SMC § 7.04.320(D): Flyte will cooperate with the City whenever the City Manager makes a request, with or without prior notice, to inspect or audit the effectiveness of our security plan or any other requirement of the SMC.



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SMC § 7.04.320(E): Flyte will notify the City Manager within twenty-four (24) hours after discovering any of the following: (1) Significant discrepancies identified during inventory with the level of significance being determined by the regulations promulgated by the City Manager; (2) Diversion, theft, loss, or any criminal activity involving Flyte or any agent or employee of Flyte; (3) The loss or unauthorized alteration of records related to cannabis, customers or Flyte employees or agents; (4) Any other breach of security.

C.3.A. OPERATIONAL SECURITY: ACCESS CONTROL SYSTEMS & VISITOR CONTROL

Our access control protocols ensure only qualified persons gain access to where products are held. We prevent individuals from remaining on the premises when not engaging in authorized activity relating to commercial cannabis operations. Flyte has an access-controlled door between the facility's entrance and Limited Access Areas (LAAs) containing cannabis goods.

Access Control – Retail Area: Anyone requesting access into the Retail Area must enter the Lobby and check in at the check-in area; no one from the general public is allowed into any LAA in the back of the house without pre-qualified access for an accepted reason. A one-inch-thick bullet-resistant Plexiglas sheet with a built-in verbal communication port and countertop deal tray is fixed between the Lobby and check-in/reception booth for ID check and verification. A security camera with facial recognition capabilities is installed to capture close-up video recordings of all individuals as they approach the reception window, document each individual that enters the facility and capture footage that may be later required for evidence.

The Retail Area is designed with a separate check-in area where ID is verified to ensure only qualified persons gain access to where products are displayed. We look to maximize customer service while providing complete protection against theft and diversion. The Retail Area's design adheres to standards of the Mercantile (M) Occupancy Category of the National Fire Protection Association (NFPA) 101/5000. We manage customer flow in accordance with these guidelines for maximum occupancy to ensure no unauthorized individuals are present in areas where cannabis goods are displayed. Individuals enter through the main entrance and into the Lobby where they are required to present valid identification to a Cannabis Consultant stationed in Secure Check-In. The Cannabis Consultant then analyzes the documents and determines whether access should be granted to the prospective customer or patient. Individuals who do not possess the proper documentation are asked to leave the store immediately. A minimum of one Security Guard is stationed in the Lobby to de-escalate any situation in which a patron becomes agitated after being denied entry due to false or invalid identification. Customers and patients are asked to wait in the Lobby if the Retail Area is at maximum occupancy. We anticipate that customers and patients should not need to wait beyond 5-7 minutes per visit under normal operational conditions.

Prospective customers are granted access to the Retail Area when current occupancy allows for entry. Data from retail operations at Off The Chart's Vista location shows that first-time purchasers spend approximately 7.8 minutes in the Retail Area including potential education/consultation time; returning purchasers spend an average of 5.2 minutes inside the facility. We continue to monitor these trends for our customers in Santee to determine if there is any way we can speed up the time required for the average transaction and reduce the likelihood of theft and diversion while customers are present.

Cannabis goods for inspection and sale are only displayed in our Retail Area. Cannabis goods are only removed from packaging for display purposes; display samples are placed in different containers to allow customers to see the products without handling them directly. Cannabis goods that are removed from their original packaging for display purposes are never sold and are destroyed in accordance with local and state regulations when no longer used for display. A Cannabis Consultant always facilitates direct access to products and samples. Cannabis Consultants supervise all sample product viewing. Upon purchase, a Cannabis Consultant places the customer's order in compliant exit packaging, verifies the customer's ID a second time and offers the customer their order upon payment. Customers are monitored as they exit through a two-door exit port once their order is processed and are not permitted past the Retail Area or in any other area of the facility where cannabis goods are displayed.

Access Control – Secured Storage: The Limited Access Retail Fulfillment Room is where bulk cannabis goods are stored until they are designated for fulfillment into the Retail Area or pulled for retail delivery. The Limited Access Retail Fulfillment Room is outfitted with RFID technology so each individual attempting to enter the Limited Access Retail Fulfillment Room must scan their badge, which is associated with a unique employee profile in the access control system to enter. Employees who must access the Limited Access Retail Fulfillment Room, such as Cannabis Consultants, are

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integrated into this system in onboarding. The access control system stores data on all successful entrances and attempted entrances into the Limited Access Retail Fulfillment Room with a timestamp to ensure we know the exact point in time in which the Limited Access Retail Fulfillment Room is accessed. We maintain these records for a minimum of seven (7) years, which is imperative as they can be used as evidence in the event of a theft or diversion event to determine who may have been involved.

Employee Credentials: Utilizing employee identification badges helps us track all activity throughout the facility and collect data on which individuals have entered LAAs at any given time. Staff is issued serialized photo ID badges that are kept on-site and issued by the Manager on duty. These badges are required for access to premises, including LAAs and are outfitted with RFID capabilities where employees must scan their badges to enter certain LAAs within the facility, such as a secure hallway into the back of the house. Similar to the RFID system for the Limited Access Retail Fulfillment Room described above, various doors throughout the facility are outfitted with an RFID tag that must be scanned for entry, and each scan executed throughout the facility is recorded and linked to a timestamp that is held in our records. These records can be accessed at any time and are stored for a minimum of seven (7) years. Badges include company name and license number, the employee's first name, an employee number exclusively assigned to the respective employee, the role that the employee has been assigned and a color photograph of the employee that clearly shows the full front of the employee's face and is at least 1 inch in width and 1.5 inches in height. Missing or stolen ID badges are reported in the security log. Any missing or stolen ID badges are immediately deactivated, and only at the discretion of management is a replacement security ID badge issued. Upon employment, the Manager issues new employee IDs and ID numbers. If the employee number needs to change for purposes of limited access, the manager oversees issuing a new employee ID number with limited access capabilities. Furthermore, if an employee is terminated or leaves Flyte, their employee ID number will be frozen, and the employee is stripped of their access status. If said terminated employee is reinstated as an employee, they are given the same ID number as long as the manager determines they are qualified to gain access to LAAs. Flyte-issued employee identification badges are always kept onsite to prevent tampering or loss that could result in unqualified individuals gaining access to areas where products are stored. ID badges must always be worn for premises access, including LAAs to distinguish employees, who are qualified to gain access to areas where cannabis products are stored, from individuals who are unqualified to be present in these areas.

Visitor Protocols: Flyte has accounted for visitors to the facility such as the Department of Cannabis Control (DCC), City Manager and their designee, Sheriff, Fire Department personnel, or other agents requesting admission for purposes of determining compliance with city or state ordinances. Third-party vendors are only allowed on-site if duties require access. No visitors under 21 are permitted on the premises at any time. Visitors must provide valid ID, sign into a secure logbook, and wear temporary ID badges at all times. We only permit employees and authorized individuals to enter LAAs of the facility. Such personnel include authorized outside vendors, contractors, city employees on official business or other individuals who have a bona fide business reason for entering the LAA. We do not grant access to LAAs in exchange for any form of compensation, favor, consideration, or benefit. No personnel without a bona fide reason for entering LAA are granted access. An authorized individual who is not an employee of Flyte and requests access to a LAA must be at least 21 years of age and is escorted at all times by an Flyte employee who has access credentials to the areas the individual requires access to. Flyte maintains a physical and electronic log of all non-employed and authorized individuals that requests access into an LAA. Such logs are available to Flyte as well as City and California State officials upon request. The log record includes: (1) the name of the individual requesting access (ID Verification); (2) the name of the company the individual works for; (3) the date and time of entry and exit of the LAA; and (4) the reason for entering the LAA. Upon arrival, Flyte employees make a photocopy of the visitor's identification and company badge, if available, and place the copy into the Visitor Logbook along with the reason for their visit. Any non-clients, media, or community members who want to tour the facility must have prior permission from management and are issued a temporary badge if approved. Visitors and contractors must always be supervised by a member of the staff. Authorized visitors and contractors are issued serialized contractor and visitor badges while inside the facility. Badges are protected with clear plastic ID holders and affixed to breakaway-style lanyards. Visitor badges must always be worn for premises access, including LAAs to distinguish employees, who are qualified to gain access to areas where cannabis products are stored, from visitors and other individuals who are unqualified to access these areas. We ensure that visitor badges are returned at the conclusion of each visit to prevent diversion.



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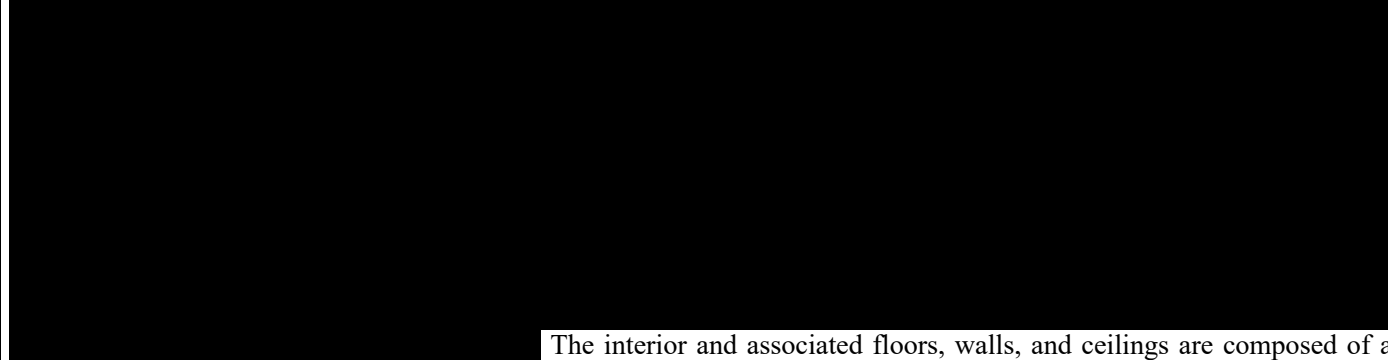
C.3.B. OPERATIONAL SECURITY: INVENTORY CONTROL & STORAGE

Our security measures protect both the premises and our products. We incorporate guidelines from the United States Drug Enforcement Agency, ASTM International's D37 Subcommittee on Cannabis and various other regulatory bodies and oversight agencies that provide best practices for security with respect to inventory control, monitoring and reporting.

Limited Access Areas: All inventoried product is kept in Limited Access Areas (LAAs), which are separate from areas where products are displayed. Only Managers and designated staff have access to these areas. Inventory withdrawals and submissions are recorded in Meadow and in a physical logbook located in the limited access Office. Access to cannabis goods is determined by facility management and controlled via biometric input devices outfitted on the Limited Access Retail Fulfillment Room door. Electronic and physical records of successful and failed access attempts are maintained for a period of seven years. Access records contain information including occurrence date, time, access location, employee name and facility manager on duty.

Track-and-Trace: We utilize Meadow Point of Sale (POS) software to assist sales processing and inventory management throughout our internal supply chain. Meadow and Metrc integrate and live sync with one another. Meadow automatically updates when Metrc receives incoming inventory, sets a package's unit of measure prior to acceptance, and creates manifests for returns, customer deliveries, and transfers. Inversely, Meadow pushes automated updates to Metrc for sales and associated package IDs, product prices, changes in quantity/inventory, and closed packages. The Inventory Manager maintains an active roster of all employees using the Metrc system and notifies the DCC via Form LIC-028 within three (3) days if a compliance notification is not fully resolved. All required data points are entered into the POS programs and automatically updated in the Company's Metrc account; all transactions are accounted for within 24 hours and any discrepancies are reported to the DCC immediately. This rigorous recordkeeping platform gives us knowledge of every cannabis product's location in our facility and maximizes product security throughout the chain of custody.

Secure Storage: All pre-sale cannabis goods are stored in the Limited Access Retail Fulfillment Room in compliance with Federal Specification AA-V-2737 and DEA 21 CFR 1301.72 and meet the following specifications from the DEA Controlled Substances Security Manual-Minimum Standards: Handlers of CI&II Controlled Substances.



The interior and associated floors, walls, and ceilings are composed of a material that is easily cleaned to ensure maximum quality assurance. The Limited Access Retail Fulfillment Room is designed to incorporate scalability for surveillance technology and storage capacity to account for operational expansion.

We have separate storage areas onsite for cash and product to ensure quality assurance and control of batches and products that are allocated to different portions of our internal supply chain. The Limited Access Retail Fulfillment Room is where we store all packaged cannabis goods, labeled in their final form, integrated into our inventory control platform and ready for transfer to the Limited Access Retail Fulfillment Room or included in a transaction when requested by a client. The Vault is our primary storage area for cash, currency, important documents, and non-cannabis items that are necessary for day-to-day operations. We have a separate section of our Limited Access Retail Fulfillment Room where we store cannabis goods, labeled in their final form, that are ready for Delivery Drivers to pick up to fulfill delivery orders. We keep the Limited Access Retail Fulfillment Room securely locked and protected from unauthorized entry. All storage areas meet the federal specifications highlighted above and we execute stringent maintenance and quality control procedures to ensure the security and preservation of cannabis goods' purity.



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Electronic access controls maintain an electronic daily log of employees with access to the Limited Access Retail Fulfillment Room and Vault and knowledge of access codes or combinations along with entry and exit logs with associated time stamps. Access to the Limited Access Retail Fulfillment Room, and any storage vaults requires input into a RFID access system with specific authorization for internal operations. We create different access level tiers and assign employees of varying responsibility different access control levels for cannabis and currency access respectively.

Product Deliveries: Flyte follows a strict procedure while receiving an order to ensure the safety and security of our staff, guests, and third-party vendors.

[REDACTED] See *A.2.B. Location & Procedures for Receiving Deliveries* in SECTION A: BUSINESS PLAN for further detail.

Additional Measures for Retail Inventory Control: We maintain inventory control and product security as top priorities. All employees and contractors strictly adhere to Flyte policies and procedures, or disciplinary/removal measures are taken in the event of an inventory-related violation. Flyte implements the following policies and procedures to secure all product and ensure that none is lost or diverted to individuals who are not authorized to possess it: (1) Employees must be physically present in the Retail Area at all times when there are patrons, visitors or other individuals who are not employees present with oversight from the General Manager; (2) During business hours, a minimum quantity of products is maintained in the Retail Area in locked cabinets and containers and only removed for short periods of time by sales personnel in order to show customers and to complete a sales transaction; (3) Flyte staff only makes one sample available to a given customer at a time. This helps staff monitor the products that have been removed for sampling purposes; (4) Flyte staff takes orders from patrons and fulfills orders in a secure area behind the retail counter- this prevents excess product from being stored where patrons are allowed; (5) Cannabis goods shall never be visible from the exterior of the building; (6) All product is stored in accordance with State and City requirements during non-operational hours; (7) All product display cases are intrusion resistant (e.g., polycarbonate or protected by intrusion resistant film), locked, accessible only by a manager, and only opened outside of business hours; (8) Employees who handle cannabis product and who are engaged in processing transactions must take responsibility for the product they are handling; and (9) Checks and balances security practices requires that no single employee be allowed unrestricted access to secure cannabis product storage areas or high value assets. Managers monitor and approve the access that employees have to areas where cannabis is stored (LAAs).

C.3.C. OPERATIONAL SECURITY: DELIVERY

Flyte aligns with and exceeds minimum requirements for retailer delivery and transportation of cannabis goods promulgated by the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), the DCC, and all associated provisions of the SMC to protect our employees and the community during transportation of cannabis. Flyte's no chase policy and robbery management training teach de-escalation techniques and emphasize safety. We incorporate increased safety and security protocols, robust customer authentication policies, and traffic sensitivity measures to our overall Delivery Plan.

Secure Delivery Procedures: Delivery Drivers go through vigorous employee training upon hiring and receive periodic training to ensure compliance with our standard operating procedures as well as compliance with local, state and federal rules and regulations. Delivery Drivers are instructed to comply with state regulations involving safety and do not travel with cannabis goods worth excess of \$5,000 at any time. The value of cannabis goods carried in the delivery vehicle for which a delivery order was not received and processed prior to the delivery driver's departure does not exceed \$3,000 (4 CCR § 15418(a)). Drivers keep cannabis goods in Tuffy Tactical Security Lockboxes for added security, which are not visible to the public (4 CCR § 15417(b)). Lockboxes are installed and secured into the trunk of each car. At no time will a delivery employee leave cannabis goods in an unattended vehicle unless the vehicle is locked and equipped with an active alarm system (4 CCR § 15417(c)). Vehicles are outfitted with a digital panic button, which Delivery Drivers can deploy in the event they feel their safety is threatened. This function notifies Dispatchers, Managers and local authorities of the driver's location. We adhere to a strict no tolerance policy with respect to the non-consumption rule for Delivery Drivers, and each delivery employee is made duly aware of the provision and provide a signed acknowledgement (4 CCR § 15419).



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The following describes some of the essential Delivery Security Procedures our Delivery Drivers are trained on: (1) Never consuming cannabis or cannabis products prior to or while delivering cannabis goods to customers; (2) Confirming the delivery vehicle itself, the vehicle alarm system, two-way radio or phone system, and the GPS device are all in proper operating condition; (3) Performing the required radio check-ins during delivery trips; (4) Being aware of any vehicle following them; (5) Never making the delivery if something does not look or feel right; (6) Never delivering to a location that appears to be vacant; (7) Refusing a delivery that is not tied to a physical address; (8) Being aware of their surroundings and avoiding areas that are not well lit; (9) Being alert to suspicious persons in the immediate area of the delivery location; (10) Not flashing money during transactions and immediately storing cash in money lock boxes upon completing the delivery; (11) Properly handling cannabis products and using secure lock boxes during delivery; (12) Always using approved, randomized routes and not deviating from those routes except for necessary rest, fuel, or vehicle repair stops, or because road conditions make continued use of the route unsafe, impossible, or impracticable; and (13) What to do in the case of robberies or other emergencies.

Delivery Monitoring Program and Product Security During Transportation: Each delivery vehicle is capable of securing cannabis goods during transportation (4 CCR § 15417(b)). Our entire fleet is integrated into our OnFleet transportation and logistics platform. OnFleet links each vehicle to a Global Positioning System (GPS) and works in conjunction with Meadow POS that tracks and records the following information: (1) The time that our Driver leaves our facility; (2) The time our Driver completes a compliant transaction; (3) The time our Driver returns to our facility; (4) Our Driver's travel route between departing our facility, traveling between delivery locations and returning to the premises; (5) The identification of our Delivery Driver; (6) The vehicle used to conduct the compliant delivery; (7) The identity of the receiving customer; (8) The type and quantity of cannabis goods included as part of each order being delivered; and (9) The dollar amount charged for the delivery.

OnFleet's program and equipment provide real-time location monitoring, electronic logging capabilities, and reports for fuel consumption and driver route performance. Any information requested by the DCC regarding location and delivery routes is immediately accessed through the system and dutifully supplied. As described above, all vehicles are outfitted with Tuffy Tactical Security Lockboxes for added security, which are installed and secured into the trunk of each car. Lockboxes are climate controlled to maintain the quality and integrity of perishable cannabis goods. Each driver is required to put products and cash from transactions in the lockbox while driving. Products will only leave the safe when a Delivery Driver performs a delivery at a verified private location or when restocking. Cash remains in the lockbox until the driver gets back to the facility and is ready for transfer.

Vehicle Safety Practices: All vehicles are equipped with a built-in alarm system (4 CCR § 15417(c)). Flyte's fleet is regularly serviced to avoid mechanical or technical issues. Delivery vehicles do not display advertising or symbols visible from the exterior that suggests the vehicle is used for cannabis delivery or affiliated with a cannabis retailer (4 CCR § 15417(a)). In addition to securing our vehicles against outside visibility, we have designed transportation packaging and odor mitigation protocol to further prevent detection of cannabis goods. First, all transported cannabis is placed in opaque containers that preclude visibility and identification of cannabis goods before being placed into the Tuffy Tactical Lockbox. This opaque packaging is in addition to the sealed packages that licensees are required to use and allows us to transport cannabis goods in as nondescript a manner as is feasible. Flyte also implements activated charcoal odor absorption bags in areas where product lockboxes are located to mitigate the possibility of identification through odor. Vehicles are parked onsite in designated spaces during non-operational hours and during operational hours when not in use. Flyte never deploys unmanned vehicles or "self-driving cars" (4 CCR § 15311(e)). Our facility has enough parking to accommodate all vehicles, and we utilize quiet hybrid vehicles, preventing delivery-related vehicle noise from becoming a nuisance to the surrounding community.

Drivers are instructed to utilize hands-free calling via voice command technology and to obey California traffic regulations, always maintaining awareness of road and traffic conditions. We believe our equipment and safety protocols are in the best interest of the employees, the company, and the community. Flyte implements a zero-tolerance hands-free and distracted driving policy for its Drivers and other employees. Employees are not permitted to operate a vehicle while performing tasks that may cause distractions. This includes using a wireless communications device to text, compose, read, or send an



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electronic message when the motor vehicle is in motion and while in traffic. This prohibition is effective during employees' work schedule, including when the employee is conducting business on behalf of Flyte. If an employee must make a call, including an emergency call (911), the motor vehicle should first be parked in a safe location. All Flyte employees and vehicles are covered under the Federal Motor Carrier Safety Administration (FMCSA) rules specifically prohibiting drivers of commercial motor vehicles from texting or using hand-held mobile phones while operating their vehicles. Each vehicle is equipped with hands-free Bluetooth calling and integrated voice command technology to reinforce this policy.

To ensure proper licensing, registration and insurance of delivery vehicles, we provide the following information to the City before commencing delivery operations: (1) Number of delivery vehicles; (2) Location of vehicle storage; (3) Extent of delivery area; (4) Proof of ownership or a valid lease for each vehicle; (5) Proof of registration for each vehicle; (6) Year, make, model, color, license plate number, numerical Vehicle Identification Number (VIN) for all vehicles used to deliver cannabis goods; (7) Proof of Liability Insurance; (8) Proof of Worker's Compensation Insurance; and (9) The above information for any additional vehicles added to our fleet or any changes to the above information within thirty (30) calendar days.

Alcohol and Drug Screening of Delivery Personnel: We promote the responsible purveying of cannabis products among our staff and patrons by upholding a prohibition on the consumption of cannabis, alcohol and tobacco on site. This also applies to delivery staff while operating company vehicles or performing delivery services at any times. Management carefully monitors delivery staff before commencing delivery services to identify behaviors that suggest intoxication and/or impairment. Cannabis impairment can be subtler than alcohol intoxication, but there are telltale signs that management are trained to identify. We use the mnemonic device SCAB, which stands for Speech, Coordination, Appearance and Behavior; any employee who exhibits intoxication traits related to speech, coordination, appearance, and behavior is prohibited from performing their duties and is immediately sent home. If alcohol or drug consumption is confirmed the employee will be terminated.

C.4. CASH HANDLING

Flyte has developed detail-oriented standard operating procedures (SOPs) for cash handling, accounting and tax compliance and features an extensive set of internal controls to ensure accuracy and efficiency at all levels. These SOPs are continually evaluated, enforced, and reviewed to ensure full compliance with tax laws at the local, state and federal level and to maintain operational efficiency and profitability. Our SOP framework has been crafted in accordance with the Private Company Council's guidelines regarding applicability of Generally Accepted Accounting Principles (GAAP). Moreover, we utilize the Committee of Sponsoring Organizations' framework for Internal Controls – Integrated Framework to structure Flyte's accounting and tax compliance SOPs.

General Accepted Accounting Principles (GAAP): The following summarizes Flyte's general strategies and methods for incorporating GAAP into SOPs for accounting and cash handling:

Control Environment: The culture, values, and expectations of Flyte through a 'tone at the top' mission, goals, structural responsibilities, and reporting chains are implemented to ensure accountability and compliance through every structural aspect of Flyte's operations.

Risk Assessment: Risk Assessment focuses on financial misstatements and fiscal controls in pursuit of enterprise-wide risk management. Areas of focus include identification of risks to operations, regular staff brainstorming to assess risk, regular fraud assessments, prioritization of risks with preemptive and responsive controls, and assigning responsibilities for risk.

Control Activities: Controls are implemented by management to ensure safety, compliance, and success of operations. This includes establishing responsibility via singular tasks in organizational structure, segregation of duties, restriction of access, policies implementing written procedures and directives, and emphasis on compliant recordkeeping and documentation along with justifications for all fiscal information.

Information & Communication Systems: Flyte establishes operations tracking via progress and compliance, broad distribution of information with regards to timeliness and accuracy, regular checks with employees to ensure they have



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required informational access, distinct lines of communication especially regarding fraud and ethics concerns, and reliable documentation of all lines of communication.

Monitoring: Management is responsible for verifying the effectiveness of all controls, including quality control reviews over all processes including exception checks and management approvals, routine reviews of expected performance and actual performance, singular control assessments, external auditing, tracking corrective responses, and continued vigilance at all levels.

Cash Handling Procedures: We are cognizant of all potential risks and hazards associated with cash transactions given the amount of cash involved in cannabis retail due to unresolved banking issues. We have thus partnered with DAMA Financial and are afforded comprehensive cash management and banking solutions through their vast network of industry partners. We use Meadow POS to provide point of sale data as well as audit trails for both product and cash. Our employees are prepared for a wide array of circumstances involving cash transactions, storage, and transport. The following cash management protocols help with their preparation and overall financial security of the facility.

Cash Tracking – Counting & Reconciliation: Cash counting takes place in the Vault, which is a Limited Access Area (LAA). Register totals are balanced at the end of day and prior to shift changes. All cash transactions and cash counting are conducted within full view of a security camera and under supervision the General Manager, Compliance Officer or Inventory Manager. Counts include: (1) Beginning of day starting cash; (2) End of day balancing of cash drawers; (3) Final counting, sorting, and stacking by a manager before cash is deposited in the cash safe located in the safe/ vault room; and (4) Periodic counts at a manager's discretion. All counts of cash in drawers during the day are recorded in a safe log and signed by the Flyte employee responsible for counting the cash in their drawers. Staff must each log their final totals and provide signatures in the safe log. Overages or shortages must be fully explained by Cannabis Consultants. Overage and shortage limits and frequency of occurrences are documented with corrective action per Flyte policy. All transaction corrections are approved by management and marked in the cash register journal. Flyte performs periodic random, unannounced register audits. The Compliance Officer and other members of leadership collaborate on development, execution, and auditing of all cash balancing procedures. Data from registers is stored and maintained via cloud storage. Total deposits and account balances are verified against totals on record. Outstanding deposits are recorded and analyzed for further disposition. Revenue budgets provide a basis for monthly variance analyses. Flyte periodically compares the reconciliation of budget to actual activity. A Certified Internal Auditor (CIA) reviews cash reconcilements annually. Bank statements, checks issued, and checks received in addition to ledgers for accounts payable and accounts the third party verifies receivable. All sales are recorded through Meadow, which provides: 1) A printed ticket or other visible record of the amount registered for the customer's review; 2) A safe place for holding a change fund and un-deposited receipts; 3) A journal tape to record all transactions; 4) A supervisor passcode, which enables readings or totals to be taken- cannabis Specialists do not have access to any passcode; and 5) Tamper-proof grand totals. Cannabis Consultants do not have ability to void and issue refunds without supervisor approval.

Cash Storage and Off-Hours Cash Security: We only store the minimal amount of cash required for petty cash fulfillment in Cannabis Consultant's tills, which reduces the potential for serious loss and becoming a target for theft. Our SmartSafe system, which is described below, aids us in preventing a buildup of cash onsite as a notification is sent to our banking partner the moment a certain threshold of cash deposits in the SmartSafe is reached.

All cash from registers are moved to the DAMA Smart Safe System by management during off-



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hours. Cash removed from each register is individually bundled for tracking purposes and collected by a facility manager before being deposited into the Smart Safe and reconciled with DAMA. [REDACTED]

[REDACTED] DAMA's banking and Smart Safe System require real time invoicing and do not allow pick-ups or deposits that are not directly linked to an approved transaction and receipt. This high level of traceability allows us to minimize losses related to cash transactions, as well as to transition all of our outgoing payments to electronic wires and ACH. The facility is outfitted with an alarm system that operates 24 hours a day 7 days a week to detect any attempted intrusion or theft, and notifications are sent in real time to respond to these adverse events and prevent the robbery of cash during off hours. In addition to on-site cash storage measures, our delivery vehicles are outfitted with Tuffy Tactical Security Lockboxes for cash storage. All cash received during deliveries is placed in Tuffy Tactical Security Lockboxes, which are secured to the inside of the vehicle's trunk and require a key for access. When returning to the site after conducting deliveries, drivers are escorted by security into the facility where they then place the money into a cash envelope and drop it in the cash drop safe for a manager's review.

Cash Transport: Flyte contracts with our banking partner DAMA Financial which utilizes Axiom Armored Car Service to transport cash deposits from the store to a designated banking institution. Delivery Drivers are instructed to comply with state regulations involving safety and do not travel with cannabis goods worth over \$5,000. The value of cannabis goods carried in a delivery vehicle for which a delivery order was received but not processed prior to the delivery driver's departure from the facility shall not exceed \$3,000. Drivers keep cash in Tuffy Tactical Security Lockboxes for added security, which are not visible to the public. Lockboxes are installed and secured into the trunk of each car. At no time will a delivery employee leave cash or cannabis goods in an unattended vehicle unless the vehicle is locked and equipped with an active alarm system. We have implemented a strict no chase policy and robbery management training teaches de-escalation techniques and emphasizes safety.

Cash Receiving - Transactions: We utilize integrated Meadow POS systems equipped with registers and receipt producing equipment for all transactions, point of sale data and audit trails. All sales are recorded in Meadow which provides: a printed or electronic receipt to customers; a safe place for holding a change fund and un-deposited receipts; a journal tape to record all transactions; and a manager passcode which enables readings or totals to be taken and Tamper-proof grand totals. Cannabis Consultants are unable to void and issue refunds without supervisor approval. All cash transactions and counting are conducted within view of a security camera. Cash transactions during delivery are conducted to minimize potential for theft. Delivery Drivers know ahead of time if a client plans on paying cash so they can prepare to make change if necessary. Delivery Drivers never bring exorbitant amounts of cash outside the vehicle and return to the vehicle to make change if necessary. All cash is immediately placed into the affixed safe within the vehicle and loose cash is never placed outside of the safe.

Financial Record Retention: Data from registers is stored and maintained via cloud storage. Records, including bank statements, sales invoices, receipts, tax records, and all records required by SMC and California Department of Taxes and Fees Administration (CDTFA) are stored within the limited-access secured office for a minimum of seven (7) years and in a manner to be protected from debris, moisture, contamination, hazardous waste, fire, and theft. Records are accessible outside of Flyte's business hours and made immediately available upon request, in hard copy or electronic form, by the DCC and/or the City of Santee.

Counterfeit Prevention: Staff and security guards are proficient in use of on-site anti-counterfeiting devices and practices. All currency is subject to note verification prior to finalizing transactions. Flyte employees are proficient in use of counterfeit marker pens, and UV-lighting systems for bills and identification. Designated Cannabis Consultants are responsible for exercising care in screening transactions for counterfeit currency. If a questionable bill is received, the Cannabis Consultant retains possession of the bill and contacts the Team Lead immediately. Documentation of counterfeit currency includes the date and time of the transaction, the Cannabis Consultant name, the customer's name, customer license number and state, and a detailed description of the counterfeit bill. A time-stamped photo of the counterfeit bill(s) and customer identification is taken; upon advanced approval and direction, local law enforcement may be called to the store. All responses to counterfeit currency are managed by the on-site General Manager to ensure the efficiency of addressing staff members



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without drawing attention from attending customers. Under no circumstances are the counterfeit bill(s) returned to the customer. Checks and Money Orders are not accepted.

Security Training Modules - Cash Management: See below under **C.6. Employee Training & General Security Policies** for further detail on training in cash management protocols.

C.5. PERIMETER SECURITY

Flyte's facility design takes advantage of its location and site layout to implement an overall Security Plan that leverages design features to increase perimeter security. Our proposed location requires heightened prioritization of perimeter security to ensure the low crime rates the City of Santee prides itself on. Our perimeter security systems feature motion-sensor lighting, physical barriers, onsite security personnel and various other elements to keep our facility safe on the exterior during operational and non-operational hours. Other protocols include neighborhood compatibility measures to protect surrounding properties and prevent public nuisance. All entrances are under the control of the Security Consultant and the General Manager. Such hardware includes door locks and the entirety of the door frame including, but not limited to the door jamb, head and architrave.

ArmorTech personnel conduct constant patrols of the facility grounds and surrounding areas within a one-block radius during hours of operation and communicate all security deficiencies and discrepancies to supervisors prior to shift completion, providing written reports as needed. Management and Security Personnel vigilantly monitor the perimeter, including the entrances, parking lot and property lines to make sure there is no loitering within 100ft of the store. Flyte posts signage, and the building has enough exterior lighting to avoid loitering, vandalism, criminal activity and unauthorized entry. Flyte provides in-person surveillance of the facility 24 hours a day, 365 days a year with interior and exterior video monitoring, featuring license plate capture technology, and a live-feed provided to local law enforcement. During operational hours, the General Manager monitors the inside of the site, while one of the Security Personnel walks the perimeter. Security Personnel conduct perimeter checks every hour, and constant monitoring of the facility keep the property both free and clear of nuisance. Our enhanced security presence will not only improve the crime deterrence outcomes of our facility, but it will also improve security outcomes and deter crime throughout the surrounding commercial areas.

C.5.A. PERIMETER SECURITY: EXTERIOR LIGHTING

A lighting plan has been developed to address outdoor lighting that deters crime and avoids light pollution. We incorporate guidance and best management practices from the Illuminating Engineers Society (IES) into our lighting system design, implementation and maintenance, including the following standards in the context of security lighting: (1) IES OL-IM 03 Lighting Applications Standards design criteria for commercial, residential, industrial, museum, healthcare and many other lighting applications; (2) IES OL-IM-04 Lighting Measurements and Testing Standards for testing and measurement standards for light sources with the goal of providing a reliable and consistent system for calculating and measuring designed and installed and illumination systems; this includes photometric, optical, electrical, color and thermal light testing; (3) IES OL-IM-02 Lighting Practice Standards for basic design principles for indoor and outdoor environments, descriptions of light sources, luminaires, control systems, upgrades and maintenance; (4) IES OL-IM-05 Roadway and Parking Facility Lighting Standards for designing lighting systems for adequate illumination for security lighting in parking areas; and (5) IES RP-2-20 Recommended Practice – Lighting Retail Spaces for retail-focused lighting and the development of effective security lighting systems. The emergency lighting system is equipped with two LED lamp heads for emergency activation and an illuminated "EXIT" sign to remain illuminated at all times. An uninterruptable power supply is linked to the emergency exit sign above all main points of ingress and egress. Our facility is illuminated during hours of darkness with exterior lighting. The lights are shielded and directed downwards in a way that provides an average maintained horizontal illumination of one foot candle of light on the parking surface and walkway. Our exterior lighting illuminates the following areas: all areas of the parking lot; intermittently throughout the main portion of the parking lot; along the building façade; and the rear of the building where shipments are received and where the trash enclosure is located. Proper lighting is used on the perimeter of the site allowing the video surveillance cameras to adequately capture activity around the building. Dual flood lights with motion sensors are installed on all sides of the facility. We look to overlap our lighting fixtures to provide complete coverage and avoid gaps where shadows may occur. We also incorporate photocell controls that turn on exterior lights at dusk when it gets dark and turns off in the morning when the sun rises. All exterior lighting features energy efficient



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LED bulbs, which have a longer life than other common types of security lighting. Exterior walls near lighting fixtures are painted reflective paint to enhance illumination.

Rigorous maintenance is key to preserving the durability and functionality of our lighting system. We inspect all exterior lighting daily for blinking, flashing, or burnt-out bulbs and lighting deficiencies in off-street parking areas, paths of travel and building entrances to ensure these areas are illuminated during hours of darkness. We also confirm that lights have not been tampered with and that they are shielded and directed downward with capability of providing average horizontal illumination of one foot candle. Our interior and exterior lighting scheme is designed to mitigate light pollution on surrounding neighbors while facilitating safety and security on the premises during operational and non-operational hours; daily inspections help us uphold these facility maintenance standards and design principles.

C.5.B. PERIMETER SECURITY: PHYSICAL BARRIERS

The first line of defense to securing a premises is to implement a variety of robust physical barriers that deter and prevent potential criminal and unauthorized activity from happening. To address security threats effectively, we employ several layers of physical barriers to fortify the store's perimeter. These barriers are tailored not only to safeguard our valuable merchandise but also to comply with regulatory requirements and maintain a welcoming atmosphere for customers. In addition to installing robust video surveillance systems which monitor the premises perimeter 24/7, we implement additional physical barriers and deterrents to prevent unauthorized activity including the installation of bollards, fencing, shatter-resistant security windows, advanced lock systems and sally-ports. Each barrier plays a crucial role in creating a comprehensive security envelope that protects the store's assets while ensuring the safety of both staff and customers.

Secure Entry: The store layout includes the entrance Lobby and exit trap door/sally port that allows staff to control customer flow and prevent anyone from entering or leaving if crime is detected. The store will utilize rear parking to service incoming distribution and outgoing retail deliveries. Utilizing a secure entrance for deliveries allows direct path of travel and keeps stored product in a secured location not easily accessible to potential criminals. By incorporating conscientious design features into the layout, we effectively deter potential criminal threats, and our security protocols and 24-hour monitoring provide added security to the dispensary and surrounding businesses. All clientele are required to utilize the access controlled exit. The sally port is equipped with motion detection and an infrared HD camera. Both doors within the sally port utilize commercial-grade push bar hardware. The deliveries door provides services for authorized delivery personnel and emergency egress. All entrance and exits at Flyte are recorded from both interior and exterior vantage points 24 hours a day with a live feed provided to SDCSD. One KnoxBox device will be mounted in front of the entrance for emergency responders; the master key is provided to SDCSD and Santee Fire Department.

Bollards: We install bollards in various places throughout all sides of the building to prevent robbery through vehicular intrusion, which is an increasingly common method throughout California. Bollards act as a physical barrier, preventing vehicles from entering areas where they're not allowed. This is particularly crucial for retail stores, as it protects pedestrians and storefronts from accidental or intentional vehicle intrusion. The presence of bollards also acts as a visual deterrent to potential threats. They signal a property is well-protected and cared for, which can discourage attempts at ram-raiding or other vehicle-related crimes. Bollards require minimal structural changes to the existing environment and are designed to complement the facility's architecture and landscape, contributing to the overall appearance of the retail space. We ensure that, while providing security against threats, our bollards do not hinder essential services like fire trucks or ambulances.

Fencing: Fencing is one of the most effective physical barriers for after-hours perimeter security. While our proposed facility is part of a 6-unit strip mall, it is uniquely designed with an oversized rear parking lot that directly adjoins the perimeter of our facility. We plan to enclose the rear portion of our lot with fencing to create a secure physical barrier for storing delivery vehicles and receiving products under stringent control. Electronic gates are also an essential element to our fencing systems that give us the ability to easily close and lock the gate remotely and during nonoperational hours. We employ wrought iron fencing with bars that are spread widely enough apart to avoid being overly recognizable from afar but are close enough to prevent anyone from reaching their arms through the fence in an attempt to unlock or compromise the fence. Wrought iron fence is integrated into the landscaping and its overall design complements the design features of the building to create some additional aesthetic appeal.



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Shatter-resistant Windows: We use shatter resistant glass windows to provide a safe and aesthetically appealing physical barrier to our store interior. Shatter resistant glass is designed to withstand heavy impacts, making it much more difficult for burglars to break the glass and gain entry into the store. Shatter resistant glass can deter smash-and-grab thefts, a common type of crime where thieves break a window and quickly grab as much merchandise as possible before fleeing. The resilience of shatter resistant glass can significantly slow down or completely thwart such attempts. In the event of an attempted break-in or vandalism, shatterproof glass can protect the people inside the store from potential injuries caused by flying glass shards. Unlike traditional security measures like bars or grilles shatter resistant glass windows maintain the aesthetic appeal of our retail store and surrounding environment. It allows for clear visibility and natural light, which is important for customer experience and product display.

Landscaping: We also plant, alter and maintain all exterior vegetation in a fashion that precludes its use as a hiding place for persons on the premises. Any considerations for landscape updating, improvement or alteration are made with respect to security and upholding this standard for exterior landscaping. Security Personnel are trained to detect individuals who are attempting to hide amongst exterior vegetation. We inspect the facility exterior for grass, weeds and foliage within 50' of the building that may lead individuals concealing themselves from view, check that all dumpsters or non-cannabis waste receptacles are closed to prevent anyone from hiding inside a dumpster and close any open dumpsters.

C.5.C. ONSITE SECURITY GUARDS

Flyte's facility features on-site security guards 24-hours a day unless authorized for an alternative Security Personnel arrangement by the City Manager. All on-site security guards at Flyte are contracted by Yador Enterprises (BSIS PPO 119899) DBA ArmorTech Security; a California-based and licensed security, live-scan, private investigations (BSIS PI 28168), and security guard training/licensing (BSIS License TFF1512 and TFB1273) firm. The primary contact for security services is Samuel Yador, reachable at 646-842-8387. Mr. Yador is our designated Security Consultant that is required by SMC § 7.04.320(B) and maintains all of the associated security responsibilities.

Number of Guards: Flyte deploys at least two part-time and two full-time armed security officers. At least one guard is present at Flyte 24 hours a day or at an alternative arrangement as approved by the SDCSD.

Guard Hours: Guards are assigned to the A-, B-, or C-Shift. The A Shift is responsible for opening duties, the B-Shift is responsible for closing duties. All B Shifts include at least 2 guards with a third on-call guard available. B-Shifts occur in the afternoon and have higher traffic expectations during Monday through Friday. Given lower customer traffic rates during A- Shifts that occur Monday-Friday, most A-Shifts only have one guard on-site with an additional on-call guard available. Each shift lasts approximately 7 hours but does not exceed 8 hours. During non-operational hours we utilize a response security patrol in conjunction with our security monitoring surveillance and alarm system. Security Personnel are required to patrol the facility on an hourly basis or on an as needed basis as determined by the security surveillance monitoring and alarm system. We implement a C-Shift to maintain site security during hours Flyte is not in operation, and we will seek approval from the City Manager for any alternate video surveillance-personnel combination for non-operational hours. Given that no customers shall be visiting while the facility is closed, we require at least one security guard per C-Shift. Guard shifts include reporting times one hour before closing and opening to accompany opening or closing managers at times when they might be alone at the facility. At least one guard is always on call in case of emergency. Flyte works with ArmorTech to increase or decrease on-site guards in accordance with projected or observed trends.

Guard Position Locations: Security Personnel are stationed between: (1) Main Entrance; (2) Retail Area; (3) Vendor Intake; (4) Lobby; (5) Roving patrols of all departments within the facility's interior; (6) The Limited Access Retail Fulfillment Room (7) Roving exterior security sweeps. A guard is present at all times in Limited Access Areas (LAAs) when shipments of cannabis are received and when cash pick-ups occur. They protect all public/private property within Flyte's security jurisdiction to include all material, equipment and supplies from fire, accident, theft, sabotage, and trespass. Guards conduct random exterior patrols to reinforce perimeter security and uphold our commitment to preventing public disturbances. Guards operate, maintain, and enforce a system of personnel ID and access controls for employees and visitors. They document all security deficiencies and discrepancies via radio dispatch and written reports to Shift Supervisors prior to shift completion. Particular emphases for reporting is placed on the following: (1) Any open, unattended exterior doors after normal working hours; (2) Any person inside the facility without a visible badge or visitors' pass; (3) Employee or visitor

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theft or sabotage; (4) Any limited access door open and not in use; (5) Investigation of any observed incident, i.e., persons in the facility without proper ID; and (6) Alarms generated by the electronic security and/or fire system.

Day-to-Day Security Operations: In addition to assigned post orders for day-to-day operations, guards are responsible for the following daily activities: (1) Protect all property within Flyte's jurisdiction, to include material, equipment and supplies from fire, accident, theft, sabotage, trespass. Conducting random patrols; (2) Safeguard and protect facility information, documents, material, and equipment; (3) Operate to the extent prescribed by established orders, policies and procedures; (4) Operate, maintain, and enforce system of personnel ID and access controls for employees and visitors; (5) Remain consistent with authority, apprehend and detain suspicious person(s), or those who attempt or do gain unauthorized access to the facility, for release to local law enforcement; (6) Maintain law and order, prevent illegal acts that jeopardize safety/security of facility and personnel; (7) Make apt station checks using a watch clock and electronic tour system with an emphasis placed on open, unattended exterior doors after normal working hours, any person in the facility without a visible badge/pass, unattended vehicles parked outside the facility; and any work being conducted outside the facility or adjacent to the property line; (8) Maintain control of keys and pass codes to facility locks; (9) Report all violations of security to Flyte's point of contact and shift supervisor; (10) In event of emergency, follow existing emergency and contingency operating procedures; (11) Enforce established policies and procedures for controlling removal of property/documents from site; (12) Monitor, assess, and respond to alarms; (13) Monitor CCTV cameras. Investigate and report any suspicious activity in accordance with established security policies and procedures; (14) Perform escort duties as required by security policies and procedures for the facility; (15) Conduct random personnel/vehicle inspections as directed; and (16) Maintain written duty and activity logs for review by Flyte, including investigation of any alarm generated by the security system, investigation of any observed incident, i.e., people on site without proper ID, visits by local law enforcement, any emergency vehicles accessing the facility, any doors, gates, windows, etc. found open during the guard's roving patrol.

Chain of Command: ArmorTech provides Flyte with a copy of Facility Post Orders and a Security Officer Manual. Instructions in Post Orders are specific to Flyte and are in the form of general, special, and/or temporary orders. Orders describe duties and actions guards are to carry out under specified conditions at individual posts/patrols as required by the security agreement. General Orders are applicable at all posts and patrols and cover items such as: performance of security agreement, security guard duties and responsibilities, facility access procedures, notification requirements, etc. Special Orders prescribe the responsibilities of a particular post or patrol. Each post or patrol has special orders issued concerning the location, duties, and hours staffed. Temporary Orders are instructions issued for a short period covering a special or temporary situation including emergencies.

C.5.D. OPERATIONAL SECURITY: INTRUSION ALARM & MONITORING SYSTEM

Our intrusion alarm and monitoring system is installed, managed and monitored by Bay Alarm Company (BAC), a California licensed Alarm Company Operator (ACO 28 | CA License #880138) located at 5130 Commercial Drive, Concord, CA 94520. Mr. Josh Kerkhoff, the account manager for our facility, may be reached at 1-800-470-1000. The alarm system sends daily communication test signals to Bay Alarm Company, and Bay Alarm Company can make maintenance and service requests at any time. Bay Alarm Company can provide emergency, same day service for any emergency repair requests. The alarm system includes alarm contacts on all accessible entry points. Motion detectors near every entry point and a 360 degree motion detector installed in the main room of the premise. Monitoring records are kept for a period of 120 days, exceeding the minimum state requirement of 90 days. The control panel is a UL listed burglar alarm system; reporting to a UL listed central monitoring station. A test signal shall be transmitted to the central station every twenty-four (24) hours with annual testing and inspections. If an intrusion signal is received by Bay Alarm Company central station, the procedure is as follows: (1) Call the first 2 numbers associated with the account; (2) Dispatch SDCSD; (3) Call remaining emergency contact list; and (4) Update SDCSD on contact status. The following summarizes some BAC-recommended alarm equipment that we use at other locations and plan to implement at our Santee facility:

Security Alarm System Control Panel: We plan to use C3 Pro 400 Access Control Panel; Readers Supported: 26 to 66-bit formats; Communication: TCP/IP, RS-485 and WI-FI optional; Data is preserved if power lost, controller continues to operate if data connection is interrupted; Alarm and event notifications are sent via email; Supports video integration and



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visitor management module; Real-time monitoring via web browser; Anti-Passback, First-Card Opening, Multi-Card Opening, Duress Password Entry, and Auxiliary Input/ Output Linkages built into the firmware.

Access Card Reader: We typically use ZKAccess KR500 HID Compatible 125kHz Proximity ID Card Reader; Capable of Reading HID and ZKAccess 125 kHz 26-bit Proximity Cards; Built-in Wiegand-Out Port; IP67-rated.

Ceiling Mounted Motion Detection: We typically use Bosch DS9360 TriTech Ceiling Mount PIR/Microwave Detector; Motion Analyzer II Processing; Microwave adaptive processing; Self-test supervision system; Changeable Mirrors; 360° x 18-meter (60ft) diameter pattern.

Keypad for Intrusion Detection System: We typically use DMP Thin Line LCD Keypad Model 7073/A; Custom 16-character home or business name in the display; Four 2-button panic keys; AC Power/Armed LED; 32-character display; Backlit keyboard and DMP logo; Internal speaker; Red keyboard lighting in alarm conditions; Simple harness connection to 4-wire keypad bus; Optional backboxes for conduit or wall mount applications; Provide four fully programmable, Class B, Style A, supervised, power limited protection zones that can be programmed for a variety of burglary and access control applications; Provide a built-in proximity card reader designed to read proximity credentials; Provide a door strike relay and allow Wiegand input from external card readers.

Wall Mounted Motion Detection: We use Bosch PIR Motion Detector; Dynamic temperature compensation; Improved false-alarm reduction with First Step Processing feature; utilizing signal amplitude, polarity, slope and timing calculations.

Strobe/Horn System: We plan to use STI Select-Alert Siren and Strobe System; 32 Selectable Alert Sounds and volume control; High-intensity LEDs with 8 flash patterns and speeds; Durable, polycarbonate construction; IP66/ IP54 Compliant; Lens Tamper Evident; Decibel Rating range: 85dB-105dB.

Mosquitos: High pitch frequency devices are installed and serve as a deterrent for vandalism and loitering.

Intrusion Detection Door Contacts: We plan to use GE Magnetic Recessed Steel Door Contacts; Designed specifically for steel doors; Regular, Wide Gap, SPD, DPOT and high security modes available; Hermetically sealed magnetic reed switches encased in fire-retardant ABS plastic housings.

Under Desktop Duress Button: We use Bosch Radion Dual Panic Remote Switch; Five-year battery life; Water and dust resistant; Wireless configuration; Operating Frequency: 433.42 MHz.

Fire Alarm System: Flyte's Fire Alarm System is designed by BAC and is made up of the following components: (1) Fire Alarm Control Panel (FACP); (2) Primary and Backup Power Supply; (3) Alarm Initiating Device(s); (4) Alarm Notification Device; (5) Remote Control and Display Panels; and (6) A Building Safety Interface. The control panel is the control center and brain of the fire alarm system; it monitors and manages the initiating devices and relays signals to notification devices if an issue is detected. The control panel provides a display of the current system status, as well as troubleshoots codes and a touchpad to manage the system directly to disable alarms, signal alerts, reset the system and reprogram the system when necessary. The FACP is located in the facility's Office. Flyte's fire alarm system features access to two power supplies; a primary supplier and a backup, which is only used in the event of a power failure. Flyte's system features manual and automatic initiating devices to inform the system if there is a fire emergency or other danger. Duct-mounted smoke detection is on the return side of required units over 2,000 CFM, in accordance with the California Mechanical Code Chapter 6, and a manual pull station (dual action) is provided at every exit. Additionally, smoke and heat detectors are featured in each area of the facility. Notification devices notify those inside the building when an event is underway. The facility has a temporal-3 horn/strobe fire alarm system for the tenant space. Flyte and Bay Alarm Company can control a set of fire alarm systems remotely with remote control and display panels. These allow security, management, and Bay Alarm Company to easily check, activate, and deactivate fire alarms throughout the building as well as to run diagnostic checks for remote locations. Building Safety Interface features allow Flyte's fire alarm systems to control other elements of the building. The building safety interface can be used to communicate with the building's access control panel to hold doors in the open position, which makes evacuation procedures safer and easier. The alarm system also includes alarm contacts and motion detectors on all accessible entry points along with a 360-degree motion detector installed in the main room of the premise. The entry and motion detection system allows BAC to be alerted of any potential intrusions during non-operational hours.

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C.5.E. OPERATIONAL SECURITY: VIDEO SURVEILLANCE

Flyte is outfitting the facility with a professionally installed and maintained surveillance system that exceeds the minimum requirements of Santee Municipal Code (SMC) and MAUCRSA. The surveillance system is monitored by Bay Alarm Company, an approved, UL-listed central alarm and remote monitoring company. See below for a further description of camera placement, camera features, connectivity and access for law enforcement, records storage and various other aspects of our surveillance system. Our Security Diagram can be found above in **C.2. Premises Diagram** and displays specific placement of our surveillance system components.

C.5.E.I. SURVEILLANCE CAMERA INSTALLATION

The video surveillance system is comprised of Indoor CCTV Surveillance Cameras, Outdoor CCTV Surveillance Cameras, 360° and Directional CCTV Surveillance Cameras, Ceiling Motion Detection units, and Wall Mounted Motion Detection Units. An Uninterruptable Power Supply (UPS) housed in the secured, limited access Office backs up the video surveillance system, and all security systems throughout the facility have the capability to remain operational and secure the facility in the event of a power outage.

Surveillance System Locations: All camera systems are permanently mounted in a fixed location and placed in a location that allows the camera to clearly record activities occurring at a minimum of 20-ft of all points of entry and exits of the facility; allowing for the clear and certain identification of any person within surveillance. Cameras are positioned to include, but not be limited to, the following areas: (1) Retail Fulfillment Storage Room (LAA); (2) Office (LAA); (3) Vault (LAA); (4) Multiple angles throughout the Retail Area; (5) Vendor Intake/Dispatch (LAA); (6) Lobby; (7) Entrances/Exits including emergency egress/delivery door; (8) Each Point of Sales location; (9) Various locations throughout the exterior with an emphasis on the parking lot; and (10) Delivery vehicles are equipped with dash cameras that provide 24-hour, constant recording on a loop; These cameras are used when a delivery vehicle is involved in a traffic collision as well as cases involving theft or diversion of cannabis goods or cash. Surveillance footage is recorded from both indoor and outdoor vantage points; and point of sale systems positioned to record and clearly identify the employee and purchaser of cannabis product(s) within the retail area including a view of all point-of-sale transactions. While our first retail location heavily featured 360-degree cameras, our experience has taught us that directional cameras provide better coverage and allow us to better isolate suspicious activities throughout the facility. To this end, our interior camera coverage typically features redundant coverage of any areas where product is stored through multiple directional cameras.

Surveillance System Features: Camera features include:

- 1) Weatherproof housing to prevent tampering and vandalism
- 2) 2.8 mm fixed lens with an infrared focus range up to 65ft at .01 lux capacity.
- 3) All cameras are pre-programmed at 15 frames/second with maximum recording speed of 30 frames per second.
- 4) All security cameras continuously record 24 hours a day, 7 days a week with camera footage time stamped in compliance with United States National Institute Standards and Technology (USNIST) standards. Surveillance footage of all on-site activities is stored and maintained utilizing two (2) LTS 32-Channel Digital Video recorders. Resolution for video recording and playback are at full High-Definition quality at 1080-P, recording at 30 frames-per-second.
- 5) Local law enforcement is given unrestricted remote access to the video surveillance system for further monitoring of the facility. Time and date-stamped surveillance recordings are provided to the City of Santee and the DCC upon request and within the timeframe specified. See **C.3.E.II Remote Access For Law Enforcement and Compatibility** below for further detail.
- 6) DVR maintains video recordings for 120 days (more the amount of time required by the SMC), with audio, for up to 64 camera units. The digital recording device is equipped with an automatic reporting system for system failures, interruptions and/or malfunctions via on-site and remote notifications. Reports are viewable via phone, tablet or monitoring console 24 hours a day, seven days a week. See **C.5.E.III. Maintaining Video Footage** below for further detail. The video surveillance system is accompanied by clear and legible signs at the public entrance and various other locations throughout the facility that states, "All activities monitored by video camera."



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- 7) The recorder is equipped with 3 USB ports for download of videos to portable hard drives and can support up to 128 remote connections for monitoring, allowing local law enforcement access. The recorder is secured by a 15 x 15 x 5-inch DVR/NVR Heavy Duty 16 Gauge Security Lockbox Enclosure with a built-in AC Fan and is wall mounted at a minimum height of 10-feet.
- 8) The surveillance system can allow the alarm monitoring company to hear live video of the premises upon activation of the alarm.
- 9) The video surveillance system is accompanied by clear and legible signs at the public entrance and various other locations throughout the facility that states, "All activities monitored by video camera."

Installation Procedures: We have developed installation procedures for the surveillance system based on the operation of two (2) operational facilities in California and one (1) facility in Ohio. Below is a summary of these procedures:

- 1) We first work with Sam Yador, Armortech Security and the Bay Alarm Company to ensure that our Premises Diagram includes surveillance cameras in all of the relevant interior and exterior locations; this includes a camera pointing at each POS terminal, in the Office, in various points throughout the LAFSR, throughout the facility exterior and all other locations highlighted in our premises diagram.
- 2) We then conduct a walkthrough of the premises prior to electrical installation to ensure adequacy of surveillance camera locations and physically mark the location of all security cameras.
- 3) We work with our contractor and/or electrician to schedule installation of all electrical components and hardwiring for camera installation. We incorporate additional hardwiring infrastructure throughout the site in case we choose to expand our coverage through incorporation of additional cameras in the future.
- 4) We schedule camera installation with the Bay Alarm Company under the supervision of Sam Yador with enough time to test the system, determine any blind spots that are not covered by the surveillance system and ensure proper functioning with enough time before opening the business to troubleshoot any issues or make any changes to the layout.
- 5) Installation is conducted by the Bay Alarm Company; this includes mounting cameras, connecting wiring and electrical components, DVR installation and connectivity.
- 6) We work with SDCSD to schedule a test of connectivity to ensure they are able to access our footage remotely and make any adjustments accordingly.
- 7) Surveillance cameras are linked to the Bay Alarm Company's remote monitoring system; successful connection is indicated by their ability to view our facility on their monitors.
- 8) Surveillance cameras are linked to our internal monitors and we are able to view all areas of the facility internally.
- 9) We export footage to a hard copy and test that export on another device to ensure footage can be reproduced for law enforcement.
- 10) We run a test of sufficient clarity with someone entering the Retail Floor and standing at a POS terminal to ensure we can capture their facial features and other details that could potentially be used to prosecute a crime committed at our facility.
- 11) Any changes to devices, fixtures or other equipment relating to panic buttons are made based on testing protocols.
- 12) Surveillance cameras are ready for use at the operational facility and maintained on a quarterly basis.

C.5.E.II. REMOTE ACCESS FOR LAW ENFORCEMENT & COMPATIBILITY

Flyte provides the SDCSD with access to our video surveillance and ensures compatibility with their software and hardware throughout operations. We have developed the following procedures for ensuring security camera footage is remotely accessible to law enforcement, and that it is compatible with the relevant software and hardware:

- 1) We ensure SDCSD's hardware and software is capable of detecting, analyzing, and connecting to every camera in our facility's network and we will build a unified feed to SDCSD's system;
- 2) Our surveillance system not only extracts and unifies live video, data and sensor feeds from virtually any source connected to it to enhance the situational awareness and investigative capabilities of SDCSD, but it also provides Flyte, its employees, and customers an increased sense of safety and security,
- 3) By providing access to our surveillance and sensor feeds we will also be contributing to the public safety of the



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community by providing local law enforcement another resource to operate more efficiently;

- 4) Regular maintenance checks on surveillance equipment also includes specific verification that our system is working properly and that compatibility is not inhibited by faulty equipment or connectivity;
- 5) We schedule connectivity and remote access testing with SDCSD to ensure their system is compatible and can be accessed remotely; and
- 6) We meet with SDCSD on an annual basis to run test checks on the system, and we will make any necessary changes to our system should the SDCSD decide to change their preferred hardware, software or other connectivity protocols.
- 7) We test protocols once the system is installed to ensure law enforcement has access to the footage;
- 8) We export a sample of footage and provide the footage to law enforcement to ensure that they can view the exported footage in the event of a connectivity issue; and
- 9) We provide the SDCSD with the name, telephone number and email address of our Security Consultant, the Community Relations Officer, the General Manager and the C-Suite in case there are any issues with their access to our live feed so we can restore connectivity and access immediately upon request.

In addition to the above, Flyte sets up a secured online feed for its overall facility camera coverage. Live feed channels are continually monitored and Bay Alarm's monitoring and surveillance contract incorporates system maintenance and trouble shooting in the event of any outages. This secured website can only be accessed through limited credentials and allows outside agencies, such as the DCC, Armortech, Bay Alarm, and local law enforcement to access our cameras through a remote feed independent of any hardware or software requirements. Remote, secure feeds have been extremely useful in the event of a hardware problem for outside agencies as well as if there are complications with synching our software with the software and hardware requirements of local law enforcement.

C.5.E.III. MAINTAINING VIDEO FOOTAGE

Our video surveillance system can provide remote and real-time live access to the video surveillance footage. We follow the below procedures maintaining video footage:

- 1) We maintain surveillance recordings for 120 days, which is 20 days longer than the storage time requirement of 100 days promulgated by the SMC and 30 days more the 90 day requirement imposed by the DCC;
- 2) We make all recordings available to the City for inspection or copy upon request;
- 3) We set calendar reminders internally to track the 120-day storage requirement and ensure that footage has been stored for the proper amount of time before it is deleted; and
- 4) We utilize cloud-based storage and physical copies of recordings which are maintained as a form of double verification to ensure no recordings are deleted before their designated date of maintenance.

Our onsite servers allow us to maintain storage onsite in addition to our cloud storage. Further, on-site storage allows us to immediately download video to an external drive which can be provided to a requesting agency. In addition to being able to provide physical copies of stored video, we utilize DropBox, which allows us to provide a shared folder of video feeds from a given date and time range in the event such is requested by law enforcement. Cloud storage also has the benefit of allowing us to have redundant backed up storage in the case of a fire, vandalism, or other event that could compromise the onsite servers. Given our cloud storage and on-site servers, Flyte's management and security team can send footage from a requested date and time range remotely in addition to being able to provide physical downloads at the premises. These maintenance, storage, and provision practices have been field tested as recently as this year when footage was provided to both the DCC and Los Angeles Police Department for an attempted break in and theft.

C.5.E.IV. QUALITY OF FOOTAGE

Our video surveillance system is of adequate quality, color rendition, automated switching to black and white in lowlight conditions and resolution to allow ready identification of any individual committing a crime anywhere on or adjacent to the premises. Our security cameras exceed minimum camera resolution requirements of 1280x720 pixels with 1920x1080 for outdoor cameras and 2560 x 2048 pixels for indoor cameras, respectively. Interior cameras spread throughout the Retail Floor record with sufficient clarity to capture the facial features and other characteristics of every individual who may be present at one of our POS terminals. We have monitored the performance of these cameras across multiple cannabis,



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petroleum and general retail businesses for the last five (5) years and have determined that this resolution provides exceptional image clarity and sufficient quality for prosecution of a crime committed onsite.

C.6. EMPLOYEE TRAINING & GENERAL SECURITY POLICIES

Flyte's comprehensive Training and Development Program (TDP) is designed to empower our employees and ensure the highest levels of operational excellence and customer care. Our TDP consists of three core components: (1) Comprehensive training to ensure employees are equipped with the tools and knowledge necessary to efficiently execute their day-to-day directives and contribute to the facility's overall compliance and security; (2) Continuing education initiatives that support employees pursuing degrees, cannabis-focused educational advancement and other methods of growth; and (3) Quality of life resources that support employees throughout their career at Flyte, fostering a positive work-life balance. Training is administered through dynamic and engaging formats including a variety of written materials, videos, simulated interactions, and more. Between security training, general operations training and ongoing training throughout their time at Flyte, our employees are thoroughly prepared to implement SOPs for all areas of operation and deliver seamless service. Our dedication to ongoing education significantly enhances employee retention, creating a knowledgeable, experienced team that directly improves customer satisfaction. As employees deepen their expertise in cannabis and build lasting relationships with returning customers, they not only contribute to a safe and welcoming environment but also foster loyalty and trust with our clientele. By investing in our employees' growth, we ensure a high level of engagement, retention, and superior customer experiences that drive operational success.

Implementation, Monitoring and Evaluation: The TDP includes multiple phases, and each phase consists of various training modules that collectively educate employees on the entirety of compliant cannabis retail operations. Our onboarding training consists of a 5-day introductory training module and includes operational and security training to help new staff learn system protocols that their positions require. This first phase of training is conducted in a classroom setting and includes the following topics: (1) Client Check-In, Screening, Registration & Validation; (2) Processing Transactions and Point-of-Sale; (3) Security Operations; (4) Inventory Control; and (5) Local and State Regulations. Two out of the five days of our Phase One onboarding training are dedicated to security alone. Staff members must pass a written examination with a minimum score of 80% prior to graduating to the second phase of onboarding training, where they perform practical exercises and simulated demonstrations of the protocols and procedures that they were trained on in Phase One; the specific practicums required for each type of training are described below. Phase Two also includes trainee evaluations and feedback in real time to help new hires understand their strengths and overcome any areas of weakness ensuring they are best equipped for success. Once they pass through the second phase of training, employees are officially ready to begin their duties as an Flyte staff member.

Throughout their employment at Flyte, staff members are provided quarterly training modules across varying operational topics to ensure they are continuing to hone their skills. We also provide training in all regulatory updates that are passed along from the City of Santee, the DCC, or any other oversight agencies. Biannual performance reviews, honest feedback and consistent support ensure continual growth and optimized performance from all team members. Our focus on continuous training not only supports staff retention and customer satisfaction but also drives operational efficiency. By keeping our employees updated on the latest industry practices and regulatory changes, we ensure that the store runs smoothly, remains compliant, and stays ahead of market trends. This approach enables our team to identify areas for improvement, implement new solutions, and contribute to the overall growth and success of Flyte.

Security Training: As highlighted above, a significant portion of the TDP involves training in specific elements of the Security Plan, including but not limited to: preventing diversion, inversion, theft and loss of cannabis; reporting requirements for disqualifying offenses; pocketless uniforms; random pat down searches; serious injury or death of an employee; employee assault; employee theft, fraud or embezzlement; suspicious activity protocols; access control protocols; main facility entrance procedures; ID sign in-log procedures; confidential passwords; identification badges; facility agent identification procedures; emergency exits and evacuations; video surveillance system; data security; vulnerability and threat assessment training; sexual harassment prohibitions; workplace violence; inventory management, control and reporting; and reporting potential violations and security issues. Staff members are required to demonstrate the following, at minimum, prior to working their first shift at Flyte: (1) How to follow established procedures to access the main entrance using badge and employee PIN; (2) Gaining access through the security pass through by electronic means to enter Limited

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Access Areas (LAAs); (3) Properly displaying their badge; (4) Observing security threats in parking areas and other areas in the surrounding neighborhood; (5) Cash management protocols; (6) Loading and unloading cannabis goods to and from a delivery vehicle; (7) Proper operation of security equipment such as access control, alarm and surveillance systems; and (8) Walkthroughs of robbery, burglary and active shooter situations. Below is a detailed breakdown of some of the more critical training topics and modules within Security Training:

Security Training Module – Security Equipment and Systems: It is imperative that all employees understand the role of security systems and equipment in operational security for the entire facility. We provide employees a copy of our security diagram that shows the locations of all surveillance cameras, alarm system components, access control tags and other features of the security system to ensure their ability to use this equipment if needed. For example, our Cannabis Consultants must know the location of all panic buttons installed at the POS counter in the event of an attempted robbery. We also train employees on the functions of all security systems. We provide a walkthrough for how to successfully scan RFID badges in LAA's throughout the facility to access product, how to access playback footage in the surveillance system, how to use a panic button and other elements of operating our security systems.

Security Training Module – Robbery & Burglary Protocols: Burglary training provided to staff is designed to eliminate direct conflict with suspects, making various mental notes and observations while facilitating rapid suspect departure. Mental notes include descriptive features and distinguishing marks on suspect(s) including clothing, hair color, eye color, scars, tattoos, etc. Staff is trained to handle high stress situations by prioritizing staff and customer safety over money and merchandise. Employees are shown locations of silent alarms and panic buttons but are always instructed to comply with demands and alert robbers/burglars of potential escalation factors. Flyte employs a no chase policy and trains staff to enforce minimum contact protocol with robbers. Robbery management training is aimed at teaching de-escalation techniques and emphasizing customer and staff safety. Staff must remain as calm as possible – refraining from spreading panic and following direction as swiftly as possible. Crime scene preservation (such as items, entryways and control systems accessed and utilized by suspects), cooperation with law enforcement, alarm activation and maintaining confidentiality of occurrences are additional training concepts. Such protocols are in effect to protect staff, security, and the general public from harm including bodily injury or death. In addition to training for security and safety, all staff completes the following courses: (1) FEMA IS-906: Workplace Security Awareness – this course hones employee awareness of workplace security threats, teaching them to identify and mitigate risk; (2) FEMA IS-907: Active Shooter –this training prepares staff to respond effectively to active shooter scenarios; and (3) FEMA IS-912: Retail Security Awareness – training bolsters security awareness, equipping staff with strategies to prevent fraud and theft, as well as to safeguard assets. Management also completes: FEMA IS-37.19: Managerial Safety and Health designed to sharpen their ability to oversee safety and health policies that protect both staff and clientele. Flyte's burglary and robbery protocols focus on protecting assets, preventing unauthorized entry, and deterring crime from the outset. All Flyte employees are trained on how to deter these crimes and respond during the commission of these crimes in order to maximize safety.

Security Training Module – Cash Handling: Maintaining security in the chain of custody for cash is as important as maintaining chain of custody for cannabis goods, and we ensure all employees fully understand this priority. Onboarding training for cash management includes walkthroughs for processing cash transactions, counting in starting tills at the start of the business day, counting out closing tills at the end of the business day, cash-related features of Meadow' POS system, SmartSafe operation and maintaining records of cash deposits. We also train employees on how to detect counterfeit bills with the use of initial visual inspections, markers, and ultraviolet lighting systems as well as how to reject counterfeit bills and deescalate negative customer reactions when a bill is not accepted. Managerial level employees who interact with cash transport officials are trained on these protocols extensively with a step-by-step walkthrough of completing a bank drop with DAMA Financial.

Security Training Module – Emergency Response: All employees undergo safety training throughout onboarding and receive additional training. In addition, semi-annual scripted training courses are required with group and individual evaluations. Each employee is evaluated on several objectives, including understanding and execution of required protocols, attention to detail, verbal communication, and ability to demonstrate restraint and control in complex and ever-changing circumstances. General Safety Protocol is to include earthquake, fire and evacuation safety training that teach employees to manage varying circumstances. All staff is made aware of exits and standard safety protocol. The location of fire hydrants

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and manual fire sprinkler valves are addressed in training as well as how to properly coordinate evacuation efforts including limited access evacuation considerations. General safety training also includes chemical safety, office furniture and equipment safety, and safe work practices. This training is supplemented by the employee handbook safety rules and safe work practices. Finally, a list of safety rules is provided to all staff and posted in various locations throughout the premises.

Security Training Module: Occupational Safety & Health: Safety and health training is essential to prepare staff for potential dangers that can occur in the workplace. Safety Training is modeled after the Occupational Safety and Health Administration's (OSHA) Voluntary Protection Program (VPP) and include information about associated Safety and Health Management Systems implemented at our facility. Operational procedures and standards for site maintenance and discrepancy reporting follow OSHA guidelines. Covered topics include Hazardous Materials, Personal Protective Equipment, Medical/First Aid, Hygiene/Sanitary Practices and reporting. We require one employee and supervisor to complete a 30-hour OSHA general industry training course by an authorized OSHA training institute within one year of obtaining the retail storefront and delivery licenses (BPC § 26051.5(a)(11)). It is imperative that all employees are well-versed on these protocols to protect themselves and each other from injury and illness.

Operations Training: The TDP integrates general operations training in tandem with security training to cover all aspects of daily operations for a commercial cannabis retailer. Through our TDP, our staff receives comprehensive training in all areas of operation so they can effectively do their job, help us maintain compliance with local and state regulations and instill a safe and secure environment at the facility. Flyte makes a substantial investment in staff education and training to include differences in products, product potency, delivery methods, customer service, and laws governing personal use. Staff are trained to spend as much time as needed with clients, suggesting alternatives, and discussing disadvantages and benefits of different products and consumption methods. Beyond customer service and product knowledge, staff training also focuses on operational training, which educates staff on essential standard operating procedures (SOPs) and compliance protocols. Phase Two of general operations training includes situational simulations where managers and senior staff simulate workplace scenarios such as a mock transaction or an inventory discrepancy to ensure staff is prepared to perform their duties. The following provides further detail regarding some of the more critical training topics and modules within Operations Training:

Operations Training Module - Employee Identification: Employees are trained in the importance of wearing ID badges, checking badges in and out, returning badges upon termination and protocols for handling the loss of an ID badge.

Operations Training Module - Security Protocols: All staff are trained in organizational security protocols to ensure personal safety, and safety of customers and the community. Specific security training focuses on the requirements of SMC, including video surveillance, alarm system, monitoring, overall security plan, live video and audio feed, diversion prevention, product access protocols, cash management, product deliveries, employee safety, and theft reduction measures.

Operations Training Module - Customer Check-In, Screening, Registration & Validation: Intake registration training focuses on verifying age documentation. All customers are required to provide valid government-issued ID verification. Our training emphasizes the California Consumer Protection Act as well as the Health Insurance Portability and Accountability Act (HIPAA); our training helps employees prioritize clientele's privacy and ensure compliance with state and federal mandates as they relate to consumer and patient privacy.

Operations Training Module - Differences in Products: Training on differing properties and various benefits, effects and dosage recommendations of products to ensure that our employees are knowledgeable and can guide customers through the process of product selection. Training focuses on the differing benefits and effects associated with cannabinoids, terpenes and individual compounds found products, various product categories and delivery methods. We also host information sessions with sales representatives to impart detailed knowledge about their products on our staff. Working knowledge of cannabis components and their effects and benefits allows our employees to effectively help customers determine the cannabis products that best serve their health and wellness needs.

Operations Training Module - Customer Service: Customer service training encompasses sales, active listening, engagement with customers and assisting customers in making informed purchase decisions. Our approach is to teach staff how to facilitate client-lead solutions while maintaining a strong connection with customers and understanding their needs.



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Operations Training Module - Simulated Customer Interactions: Simulations involve senior staff playing the role of a customer with a specific need, so hires can adapt to customer requests in a lifelike situation. Simulations ensure staff is proficient at processing transactions, handling cash, informing customers, and creating a welcoming atmosphere.

Operations Training Module - Laws Governing Personal Use: Employees are trained on personal use guidelines so they can inform customers about laws governing cannabis use and ensure they have a safe and enjoyable experience. Employees must show knowledge of the daily limits of different cannabis goods, product dosing parameters, limitations on cannabis possession and use in public spaces and while in a vehicle, personal use cultivation policies, and interstate transport of cannabis goods.

Operations Training Module – Metrc and Meadow POS: Our Owners, Managers and Supervisors undergo state mandated Metrc training and all modules relating to Meadow POS to ensure that our staff is highly capable of performing the necessary track and trace retail functions for compliant cannabis retail sales. All new hires complete training with Meadow POS software and the Metrc program to make sure they are proficient in the operating system, scanning products, recording transactions, providing sales receipts, uploading completed transactions, online ordering and all other transaction processing tasks required for inventory management, control and documentation. Meadow and Metrc training consist of two training videos with a one-hour Q&A session with their Customer Success team. Employees have access to the training videos as new hires or for brushing up on the materials. Meadow and Metrc Customer Success teams are available 365 days per year via phone, email or online chat through the software itself.

Operations Training Modules - Inventory Management, Control and Reporting: Employees are trained how to document incoming inventory in the store's inventory database. All staff are trained to reconcile daily and weekly sales, conduct weekly inventory reconciliation, enter new products by creating product names, categories, and SKU's, coordinate product disposal and report expired product in Metrc based on expiration dates. The General Manager, with the oversight of the COO, ensures all staff have the education, training, and experience essential to perform all assigned inventory functions. Employees will not be allowed to report to work prior to receiving orientation training, which includes inventory training. Flyte ensures that all employees receive annual refresher training that, at minimum, covers all necessary topics, including batch sampling, reviewing Certificates of Analysis, transporting inventory and various other topics.

Operations Training Module - Customer Education: Our employees are responsible for educating customers about signs of intoxication and need to be able to recognize signs of an adverse reactions to cannabis, overly intoxicated patrons and various other aspects of cannabis consumption. Training our employees to administer customer education on how to prevent these events is crucial to our onsite consumption operations.

Operations Training Module - Impaired Customers & Purchase Limits: We teach staff to spot intoxicated guests entering the premises and prohibit sales to intoxicated customers while adhering to state-imposed purchase limits.

Operations Training Module - Transportation: We train our delivery employees on the requirements for vehicle maintenance and storage, product security during transport, driver safety, logistics coordination and other aspects of their day-to-day operations as a Delivery Driver or Dispatcher. These modules include instructions on how to use OnFleet to communicate between both parties and also how to use Dutchie for order processing and correspondence.

Operations Training Module - Dispatch: These training modules focus on driver coordination, transportation monitoring and all other responsibilities maintained by the Dispatcher. We ensure that all our delivery routes are streamlined to reduce emissions attributed to our operation and that all of our customers receive their orders in a timely fashion without compromising driver safety. These modules also have a heavy component on OnFleet as this software is a foundational piece for route planning, tracking, correspondence, and customer notification.

Operations Training Module - Loading & Unloading: This module focuses on the process of loading and unloading cannabis and currency from the delivery vehicle or an incoming distributor. This process happens at least once a day and often multiple times per shift, and the quality control and proper handling of cannabis and currency in this process is imperative for inventory and cash management.



SECTION D: QUALIFICATIONS OF OWNERS

D.1. FLYTE CANNABIS BUSINESS EXPERIENCE

D.1.A. INDUSTRY EXPERIENCE: CHIEF EXECUTIVE OFFICER (CEO) RAMIZ NAOUM

CEO Ramiz Naoum has amassed five (5) years of experience in commercial cannabis operations on top of 15 years of experience in telecommunications sales. After Ramiz graduated from Valhalla High School in El Cajon, CA, in 2005, he worked in management for a series of liquor stores across San Diego. Ramiz was able to develop a foundational skillset in liquor store management that would eventually translate perfectly into the cannabis industry, executing day-to-day tasks involving inventory management, identification verification, financial auditing, and other tasks to ensure compliance in a highly regulated industry overseen by the California Department of Alcoholic Beverage Control (CAABC). During this time, Ramiz took on another job alongside his work at the liquor stores with Access Wireless, a government-funded program implemented by the Obama Administration to provide lifeline and affordable connectivity services and free smartphones to qualified recipients. This was Ramiz's first role in telecommunications sales, and he quickly advanced from a Sales Specialist, where he focused on account management and sales, to a Program Manager and owner of a Distribution Center, where he led a team of 70 people and drastically improved Access Wireless' performance in San Diego County, accruing nearly \$600,000 in annual revenue from smartphone sales and ancillary connectivity services for Access Wireless clients. Ramiz worked diligently to gain as much experience in these highly regulated industries and save money from 2005 until 2011, when he began his first entrepreneurial endeavor into telecommunications by transitioning his store from a franchised Access Wireless to a Cricket Wireless, where he was the sole business owner. From 2011-2015, smartphone sales and the overall telecommunications industry grew exponentially, and Ramiz was able to capitalize on this growth by acquiring three additional T-Mobile stores throughout San Diego County. Ramiz had amassed roughly \$10 million in annual revenue across all three T-Mobile Stores from 2015-2019, but he had also been following the regulatory cycle in California and knew that a regulated cannabis framework would soon provide immense opportunity in California.

Eventually, Ramiz reconnected with childhood friend Darline Yousif, who opened and operated Off The Charts (OTC) in Vista with her husband Norman Yousif and acquired a stake of ownership in OTC Vista in 2019. The business was already performing well, but Ramiz helped Darline and Norman improve their sales strategies by implementing his experience in regulated liquor sales and his knowledge of the local community and respective consumer demographics. Ramiz was also able to help Darline and Norman develop and implement standard operating procedures (SOPs) for age verification, identification verification, diversion prevention, and other aspects of commercial cannabis retail that had similarities with regulated liquor and tobacco sales. Ramiz was instrumental in helping develop the Check-In Procedures described in **SECTION A: BUSINESS PLAN** and has helped OTC achieve a perfect compliance record concerning the prevention of sales and diversion to minors or the illicit market. OTC already had extensive SOPs for inventory management, but Ramiz offered a new perspective rooted in alcohol and tobacco sales, and was able to help Darline streamline some of OTC's inventory management SOPs to improve efficiency with features such as sell-through procedures to reduce expired products. Ramiz has also acquired knowledge of certain technological requirements required for retail through his work in telecommunications and helped OTC modernize some aspects of the business concerning connectivity and recordkeeping. Ramiz has been a huge value add to OTC's ownership team in Vista, helping Norman and Darline grow the business from its humble beginnings to where it stands today.

Ramiz's involvement as a partner, investor, and consultant for Norman and Darline has continued throughout OTC's growth over the last three years. In 2021, many states around the country began to implement commercial cannabis programs, and OTC saw great opportunities in becoming a multi-state operator and began looking for opportunities outside of California. OTC decided to pursue a license for a medical cannabis dispensary in Ohio's highly regulated environment and, with Ramiz's help, eventually secured a provisional license through the Ohio Board of Pharmacy's lottery-based process in May of 2022. Since being awarded the provisional license, Ramiz has been spearheading the dispensary post-licensing project in Ohio, doing everything from vetting contractors, working with security providers to implement a security plan for the business, overseeing all renovations, hiring and onboarding employees, conducting inspections with City and State officials, and much more to comply with Ohio's rigorous medical regulations. Ramiz gained unique project management experience throughout this process, as it required much more than his cell phone stores concerning the planning process, plan



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development, submission, inspections, and compliance. Additionally, the State of Ohio has recently passed legislation to enact a recreational cannabis program under the Ohio Department of Commerce in which all medical cannabis license holders are grandfathered into the recreational program; this process has required Ramiz to submit substantial compliance documentation in addition to the original application materials, meet with government officials and make adjustments to the building and the overall property to account for potential recreational sales. After nearly two years of progress under Ramiz's leadership, OTC has converted a blighted corner lot in the City of Dayton into an aesthetically pleasing, highly secure medical cannabis dispensary that opened in May 2024 and began conducting recreational cannabis sales this summer.

Ramiz has also diversified his experience in commercial cannabis operations as a partner, investor, and consultant for both OTC and other operators across the entire supply chain. Ramiz was a pivotal contributor to OTC's ability to open a business in San Francisco as part of the San Francisco Office of Cannabis' Social Equity Program. Ramiz provided substantial capital and project management support for the San Francisco location, a microbusiness with retail, distribution, manufacturing and infusion. Ramiz has worked alongside partners Norman and Darline, equity partner Omar Flenoid, renowned University of California, Berkeley chemist Erika Adre, and long-time cannabis industry veteran Tristan Lee to operate a cannabis microbusiness and bring this project to fruition, which will eventually increase the stability of OTC's internal supply chain through internal distribution and add to the list of offerings in OTC's product line. The San Francisco microbusiness' Manufacturing Department is developing proprietary formulations for OTC branded products and white labeling for various operators throughout California. The San Francisco microbusiness officially opened in March of 2023 and has performed well in San Francisco's already-saturated market, achieving profitability in less than a year and continuing to grow the non-retail elements of the business. Ramiz also owns an indoor cultivation facility in California City, where he advises on day-to-day operations such as vendor engagement and sales to help the facility expand its network of distributors who buy the facility's product. This experience in ownership and consulting on production operations and his enhanced understanding of the overall supply chain have helped him improve his skillset, drive sales, and secure diverse income streams for his retail businesses.

Ramiz's proven track record of enhancing sales strategies, implementing rigorous standard operating procedures, and driving technological advancements in retail operations positions him as a leader capable of navigating the complexities of the cannabis market. His instrumental role in expanding OTC and his contributions to cannabis operations across multiple states showcase his ability to adapt, innovate, and lead in dynamic regulatory environments. Importantly, Ramiz's deep business roots in San Diego County, nurtured since his early career, underscore his commitment to the local community and its economic growth. As the retail cannabis landscape continues to evolve, Ramiz's vision, experience, and dedication to San Diego County's community make him the ideal candidate to bring a new, compliant, and customer-focused cannabis retail experience to Santee, enriching the community and setting a benchmark for the industry.

D.1.B. INDUSTRY EXPERIENCE: CHIEF OPERATING OFFICER MAZIN STEPHAN

COO Mazin Stephan has amassed five (5) years of experience in the regulated cannabis industry through his ownership of cannabis businesses in both California and Ohio. Mazin is a retail specialist whose career trajectory is quite similar to that of his partner and Flyte's CEO Ramiz Naoum, as he began his career in alcohol and tobacco sales before transitioning into the cannabis industry. Mazin held his first professional role in 2005 as a Manager and Sales Specialist for the San Diego-based liquor store chain Keg N Bottle. Mazin developed a skillset in this role that would eventually translate perfectly into the cannabis industry, as he was responsible for inventory management, product procurement, age and identify verification, and financial management of the business. Mazin was also tasked with researching new products to carry at the store, organizing events for its consumers to inform them about new products and educate them about the industry, developing new preferred customer programs, and implementing other innovative strategies to grow the business. Mazin was a primary driver of growth by finetuning Keg N Bottle's product line to appeal to a much more comprehensive range of consumer demographics, carrying everything from lower-priced beer for consumers on a budget to exclusive bottles of bourbon whiskey for the experienced connoisseur that fetched a multi-thousand-dollar price tag. Mazin's input helped Keg N Bottle grow from a small chain with 2-4 stores to the consortium it is today, with 11 stores in Southern California and a newly opened store in Chicago, IL. Part of this success was Mazin's transition from management to ownership; Mazin eventually acquired an ownership stake in three of the Keg N Bottle Stores in 2008 and maintained this ownership until 2012, when he



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sold his shares at an all-time high. Mazin continued to help run the businesses from 2012 to 2019 but primarily maintained a role as a consultant.

Mazin had already met Ramiz through their network in the alcohol and tobacco sales industry, but a partnership in commercial cannabis was not catalyzed until 2019 when Ramiz began working with Norman and Darline Yousif at Off The Charts (OTC) in Vista. Ramiz eventually introduced Mazin to the OTC family as a potential investor and partner, and there was an immediate connection. Eventually, Mazin bought into OTC Vista and collaborated with Ramiz on ways to help grow the business. Mazin helped Ramiz develop many of the aforementioned SOPs on age and identify verification and inventory management, but Mazin's keen eye for sales helped improve OTC's sales strategies. Mazin knew from his experience at Keg N Bottle that consumers are looking for a diverse array of products and that each consumer has different preferences based on their experience with product type and socioeconomic status. Mazin quickly realized that cannabis products come in many more delivery methods and formulations than alcohol, which required a more nuanced approach to sales to truly maximize sales for each category of product. While he saw many parallels between alcohol sales and cannabis sales, he also knew that there was a way to modify OTC's product line to appeal to a broader range of consumers. Mazin worked with OTC's procurement team to bolster their offerings, develop relationships with new vendors, track the performance of certain SKUs over time, and help increase customer throughput. He also applied his experience at Keg N Bottle to help further engage the community in Vista through educational events about cannabis, special discount programs surrounding certain product offerings, and different marketing tactics that OTC had not previously implemented. The impact of Mazin's input at OTC's Vista location was quickly evidenced as sales increased steadily across all product categories.

Mazin had garnered the trust of Norman and Darline Yousif through his work with them in Vista, and Mazin eventually provided capital and consulting for OTC's expansion into Northern California with the San Francisco microbusiness and into Ohio with the medical cannabis dispensary. Mazin continues to analyze local demographics for each of the businesses in which he is a partner to ensure sustained growth and return on investment, and he looks forward to applying these proven strategies in Santee.

D.1.C. INDUSTRY EXPERIENCE: CHIEF STRATEGY OFFICER (CSO) CHRIS SALEM & COMMUNITY RELATIONS OFFICER (CRO) MARTIN SALEM (THE SALEM BROTHERS)

Chris and Martin Salem are brothers and business partners who own one of the most expansive commercial real estate portfolios both in Santee and in all of San Diego County. While the Salem Brothers have not been involved in any commercial cannabis operations, they have completed many large-scale commercial projects in the City of Santee. They are highly knowledgeable about local zoning regulations, the planning process, design guidelines, aesthetic compatibility, business licensing, and many other areas of development in Santee. This gives them an advantage over other prospective operators looking to open a cannabis business in Santee.

Chris and Martin Salem were born and raised in Spring Valley and have spent their entire careers as entrepreneurs throughout San Diego County. In 2001, they embarked on their first entrepreneurial endeavor by acquiring and opening Fuller Liquor & Deli at 3896 Rosecrans St in San Diego, a facility that their father still owns and operates to this day. The Salem Brothers partnered with the Aspen Risk Management Group (ARMG) to ensure compliance with all CA ABC laws, instill operational security throughout the facility, and develop verification SOPs to prevent sales to minors, diversion, and other adverse events that could harm the community and the business. ARMG has been in operation since 2005 and has helped nearly 10,000 companies create a safer working environment through rigorous loss prevention strategies, investigation support, consultative analysis of workplace safety, educational materials, and other forms of support for their clients. In 2020, the company was acquired by TRISTAR Company, the country's largest privately owned independent third-party claims adjuster. ARMG has helped Chris and Martin develop Security Plans for occupational safety, cash management, inventory control, and other aspects of running their liquor stores that are very similar to commercial cannabis operations, and they have become better business owners in the process from everything they have learned in collaboration with the company. The liquor store has operated for nearly 23 years without any serious adverse events due to Chris and Martin's diligent ownership and ARMG's insight.

The Salem Brothers have used residual income from the liquor store to become very active in commercial real estate over the past seven (7) years, with the development, commissioning, and operation of three (3) ground-up construction projects

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and two (2) more currently underway. They have also executed many renovation projects, acquiring blighted properties in various parts of San Diego County and transforming them into functioning, high-performance businesses. Many of the Salem Brothers' real estate projects involve gas stations, car washes, and convenience stores, all requiring careful planning, stringent attention to detail, and various mechanisms for compliance with local, state, and federal laws. Rather than building up assets and subsequently selling them off, the Salem Brothers take great pride in their real estate ventures and look to operate these businesses over time and become faithful members of the business community all over San Diego County.

Most notably, The Salem Brothers own and operate the commercial complex at 8617 Cuyamaca Street in Santee, which includes a 76 Gas Station, a Circle K Convenience Store, an Earl of Sandwich restaurant, and an Express Car Wash where they lease to Soapy Joes. This parcel started as raw land, and the Salem Brothers purchased, entitled, and permitted the parcel for the gas station and other uses in 2022. Under a year later, the business is generating substantial revenue for the City of Santee without any compliance violations, safety hazards, or other serious adverse events. In addition to the property at 8617 Cuyamaca St, the Salem Brothers also own the property across the street at 9085 Prospect Ave, which contains a 7-11 convenience store, a Mexican food restaurant, a barbershop, a jujitsu clinic, a hair salon and a tobacco shop. This strip mall is the proposed location for Flyte's commercial cannabis business, as we plan to take over the suite currently occupied by the tobacco shop upon licensure. The Salem Brothers have also poured time and resources into this commercial complex to make it one of the more heavily trafficked complexes in the entire City at the southern gateway to Santee.

The Salem Brothers' commercial real estate ventures outside of Santee have been equally as successful as those within the City. Most of their projects have involved the commissioning of gas stations, car washes, and convenience stores, which requires stringent attention to detail concerning facility design, parking compliance, providing adequate rights of way, entrances and exits to the property in a highly trafficked area, environmental compliance concerning the installation of gas tanks, and many other areas of operations that translate perfectly into the development of a commercial cannabis facility.

D.2. CANNABIS INDUSTRY KNOWLEDGE

D.2.A. INDUSTRY KNOWLEDGE: CEO RAMIZ NAOUM

CEO Ramiz Naoum's cannabis industry knowledge is remarkably multi-faceted, fusing previous knowledge of telecommunications and real estate development with acquired knowledge surrounding commercial cannabis retail, delivery, manufacturing, and the inner workings of the overall supply chain. Ramiz's knowledge of outfitting a telecommunications retail store has propelled him into a career in cannabis that began with his involvement in Off The Charts' (OTC) Vista location and eventually playing a vital role in the company's expansion into Northern California and other states. Ramiz immediately got a crash course in commercial cannabis operations from Norman and Darline Yousif when he first got involved in their Vista operation. Ramiz shadowed Norman and Darline to glean as much industry knowledge as possible about how they run their business, observing everything from customer service, inventory management protocols, security, neighborhood compatibility measures, and much more. OTC's Vista store operations are conducted in a fast-paced, high-volume sales environment, as the business processes over 1,000 daily transactions. Ramiz was able to learn from some of the best commercial cannabis operators in California and has since been able to apply that knowledge and help OTC implement their business model in other jurisdictions.

The knowledge Ramiz has gained with OTC in Ohio has allowed him to incorporate industry best practices that exceed minimum requirements in California due to the Ohio Board of Pharmacy and Department of Commerce's strict regulations, given the medical nature of the program. Ramiz was a key contributor to the development and implementation of OTC's Security Plan in Ohio. He worked with local contractors to oversee the construction and installation of a Vault Room that is compliant with 21 CFR § 1301.72(3), which is a best management practice for security that OTC now implements at all of their locations. Ramiz also worked with leading security contractors in Ohio to install a surveillance system that exceeds minimum state requirements, primarily with respect to the retention of surveillance records for a minimum of 6 months. He also worked with these contractors to install a "mantrap," which initiates delayed egress and special locking to prevent perpetrators from leaving the facility in the event of an attempted robbery. All of this work in Ohio has provided Ramiz with the knowledge of running a commercial cannabis business in a way that is likened to a pharmaceutical dispensary, with heightened safety and security measures to protect both consumers and product.



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Ramiz's industry knowledge extends past retail and into distribution and manufacturing, as he was a primary investor and project manager for OTC's San Francisco microbusiness facility. This project involved extensive renovations of an existing, multi-level building to delineate separate spaces for retail, distribution, and manufacturing that combined to form a cohesive operational space and facilitated efficient workflow. Ramiz also worked alongside Erika Adre to commission all of the manufacturing equipment and learned about the inner workings of cannabis edible manufacturing, gaining knowledge in everything from voltage and electrical requirements for different machinery to workplace safety protocols for operating the equipment. Ramiz already had extensive knowledge of technology from his experience in the telecommunications industry, but this role enhanced his knowledge in a more technical capacity. Ramiz's technical knowledge gives him the ability to troubleshoot connectivity problems at OTC's facilities, providing consulting to OTC to ensure the best outcomes for POS operations, cloud-based storage of security surveillance footage and other internet-based aspects of the business. Ramiz has also worked to optimize the facility's distribution space and create efficient workflow for receiving, batch sampling, packaging, labeling, storage and other aspects of distribution operations. The knowledge gained from Ramiz's work in San Francisco has given him a holistic perspective of commercial cannabis operations and a thorough understanding of the entire supply chain, which complements his existing prowess in retail operations perfectly. Ramiz's diverse knowledge of commercial cannabis operations in their entirety is one of Flyte's most valued assets that will facilitate growth and longevity for the business over time.

D.2.B. INDUSTRY KNOWLEDGE: COO MAZIN STEPHAN

COO Mazin Stephan has built upon his robust knowledge in retail stemming from his days as an owner and operator of large-scale liquor stores to developing thorough cannabis industry knowledge of the entire supply chain with specific knowledge of products, marketing, analytics and consumer behavior with respect to purchasing preferences. Mazin has been instrumental in the growth of OTC's business in Vista and in their rapid expansion over the past few years. Mazin has applied his previous knowledge from ownership and operation of liquor stores throughout San Diego County to streamline OTC's operations in product procurement, inventory management, pricing and sales. Mazin uses data analysis platforms such as Headset Insights to monitor various performance metrics for each product and overall category. He has provided analytics to inform OTC's management team of product inventory and to understand consumer shopping habits and help boost sales for certain products. Mazin has consulted OTC on building curated menus by top products in a region throughout their expansion, further informing OTC of which products to keep in stock to engage all consumer profiles. With competitor insights, Mazin compares average product prices with competitors to create a pricing structure that makes OTC the preferred retailer for thousands of customers. Analyzing consumer behavior through Headset, WeedMaps and other platforms helps Mazin understand why consumers create orders and subsequently abandon the items in their carts and identify common trends and opportunities to optimize OTC's menus at their Vista location and beyond. Mazin has also helped Norman and Darline Yousif negotiate with all of their brand partners to advocate for partnership pricing and getting product on terms that allow OTC to pass savings onto the customer. Mazin's skillset in retail is unparalleled in this industry and will help Flyte develop a product line and pricing structure that balances a consumer-focused approach with profitability.

Age and identity verification are also vital elements of Mazin's cannabis industry knowledge. Mazin has spent over a decade owning and operating liquor stores throughout San Diego County where he has accumulated knowledge about all types of government-issued identification from California and from other states, as one of his first liquor stores was located in close proximity to San Diego State University and attracted students from all over the country who would eventually patronize Mazin's store. Owning and operating a liquor store in close proximity to a college campus also taught Mazin how to identify fake identification by looking for features such as raised edges around the photo, bumpy surfaces, irregular lamination, photos that did not match the appearance of the customer, the presence of cuts, slits or pin holes and other features that indicate that identification was invalid. Mazin has applied this knowledge in the context of commercial cannabis operations, as he was able to help OTC incorporate best practices for age and identity verification into their SOPs for this area of operations, which have in turn helped OTC maintain a perfect compliance record with zero recorded instances of sale or diversion to minors. This also extends to medical patients, as Mazin has studied the requirements for a valid doctor's recommendation and other documentation both in California and Ohio to ensure that only qualified patients gain access to OTC's retail area. He has developed all of the SOPs for age identity and patient status verification in Ohio and combined with his existing knowledge of this topic in California, Mazin is a significant contributor to forming check-in procedures,



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operational security, access control and diversion prevention at every facility in which he is involved. Mazin's knowledge of these verification protocols will help Flyte incorporate industry best practices to keep cannabis products out of the hands of minors and ensure all youth protection measures are designed to protect public health and safety.

Arguably the most heralded component of Mazini's cannabis industry knowledge is the application of his financial experience in the context of the cannabis industry. Mazin takes a very analytical, metric-driven approach to commercial cannabis operations; while the cannabis industry is unique, Mazin believes that taking best practices from conventional retail markets such as alcohol and tobacco is imperative to running a successful cannabis business. Mazin can create financial models, profit and loss statements, pro formas and a variety of financial documentation that helps his company understand the trajectory of a proposed business and ensure that their model is both scalable and sustainable. Financial compliance in the cannabis industry also requires specific expertise related to IRS §280E, and Mazin has offered financial expertise to OTC to navigate this complicated regulatory field.

D.2.C. INDUSTRY KNOWLEDGE: THE SALEM BROTHERS

Chris and Martin Salem's knowledge of the local entitlement, planning and building process combined with the knowledge gained from operating Santee-based businesses in closely aligned, highly regulated industries perfectly complement the cannabis industry knowledge of CEO Ramiz Naoum and COO Mazin Stephan. The Salem Brothers know how to interpret local zoning codes, ordinances, and associated regulations to select a compliant site and negotiate mutually beneficial deals for property acquisition as exemplified by their ownership of Flyte's proposed location in the Gillespie Center at 9085 Prospect Ave. The Salem Brothers are adept at translating their vision for a given property into a robust set of plans that involve architectural, mechanical, electrical, and plumbing elements of the facility, working alongside architects and engineers to actualize this vision. They work diligently to source and vet contractors and vendors who understand the scope, budget and timeline of the project. This has also been exemplified by their execution of the entitlement and development process for the gas station, car wash and convenience store at 8617 Cuyamaca St, which was started as raw land and was completed in 2022. The Salem Brothers worked with various departments in the City of Santee such as the Planning and Building Department, the Fire Department and the Police Department in order to develop the facility in compliance with local regulations. Post construction, the Salem Brothers know how to incorporate best practices for facility design and outfitting of a commercial facility along with a comprehensive understanding of Santee's design guidelines to ensure their projects blend with the overall community aesthetic, which is especially important in the transition into commercial cannabis operations due to a heightened prioritization of neighborhood compatibility. They have completely transformed this prominent corner in the Southern part of the City much to the liking of local regulators who have been complimentary of the design cohesion and overall functionality of the site.

D.2.D. INDUSTRY KNOWLEDGE: INCORPORATION OF INDUSTRY BEST PRACTICES

Flyte's incorporation of guidelines, standards and best management practices from leading oversight agencies and regulatory bodies spans all areas of operation. Owner Mazin and Ramiz have worked alongside Off the Charts' ownership and compliance team to develop SOPs that are informed by the most current standards of excellence in other industries that closely align with commercial cannabis, and they consistently use these standards to build on their cannabis industry knowledge. Flyte will continuously supplement their cannabis industry knowledge with guidelines and best management practices developed by local, state and federal agencies and both public and private entities in closely aligned industries.

Industry Best Practices - ASTM International: Flyte's SOPs rely heavily on ASTM National, formerly known as the American Society for Testing and Materials. ASTM is a globally recognized leader in development and delivery of voluntary consensus technical standards for a wide variety of materials, products, systems and services. Today, over 12,000 ASTM standards are used around the world to improve product quality, enhance health and safety, strengthen market access and trade, and build consumer confidence across highly regulated industries. ASTM's leadership in international standards development is driven by the contributions of their members, with over 30,000 technical experts and business professionals representing 140 countries across the globe. Members create test methods, specifications, classifications, guides and practices that create an open and transparent process for standardization. ASTM's D37 Subcommittee on Cannabis is revolutionizing cannabis markets globally with respect to quality management, security, industry best practices and operational procedures, and the standards they are developing have implications across the supply chain. The D37 Subcommittee has already published 16 standards and are in the process of developing 20+ more internationally recognized



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standards. The standards are used to develop training materials, guide certain facility design decisions, build upon our existing Quality Management and Safety and Health Management Systems and generally help us improve as an organization. Each individual standard outlines a Scope, Terminology, Significance and Use, Summary, and various specific policies and procedures to follow. Flyte's owners have learned about the benefits of incorporating ASTM standards promulgated by the D37 Subcommittee on Cannabis and associated materials into SOPs for various aspects cannabis operations from their work with prominent operator Off The Charts in California and Ohio. ASTM International Standards that will be incorporated into our SOPs include: (1) D8233–19 Standard Guide for Packaging and Labeling of Consumer Resin Cannabis Products for Sale to Adult Consumers, Legally Authorized Medical Users, and Caregivers in a Business-to-Consumer Retail Environment (Retailers); (2) D8222–21a Standard Guide for Establishing a Quality Management System (QMS) for Consumer Use of Cannabis/Hemp Products; (3) D8250–19 Standard Practice for Applying a Hazard Analysis Critical Control Points (HACCP) System for Cannabis Consumable Products; (4) D8229–19 Standard Guide for Corrective Action and Preventive Action (CAPA) for the Cannabis Industry; (5) D8423–22 Standard Specification for Environmental Conditions for Post-packaged Storage and Retail Merchandising of Cannabis/Hemp Flower; (6) D8286–19 Standard Guide for Processing Cannabis Product Complaints; (7) D8220–20 Standard Guide for Conducting Recall/Removal Procedures for Products in the Cannabis Industry; (8) D8477–22 Standard Practice for Cannabis or Hemp Supplier Lifecycle Management; (9) D8245–19 Standard Guide for Disposal of Resin-Containing Cannabis Raw Materials and Downstream Products; (10) D8320–21 Standard Practice for Implementing an Information Security Program in a Cannabis Operation; (11) D8217–20 Standard Guide for Access Control System; (12) D8218–20 Standard Guide for Intrusion Detection System; and (13) D8205–20 Guide for Video Surveillance System.

Industry Best Practices – Age and Identification Verification: As described above, all of Flyte's owners have extensive experience in the field of alcohol and tobacco sales stemming from over two decades of ownership and operation of liquor stores and convenience stores throughout San Diego County. Commercial cannabis operations require a comparable level of prioritization for developing rigorous check-in procedures and verifying the age and identity of every client who attempts to enter the business. Our owners will be incorporating industry best practices from the California Alcohol Beverage Control (CAABC) to ensure compliance with all verification requirements, prevent sale and diversion to minors and facilitate public health and safety for the Santee community with an emphasis on youth protection. This includes the F.L.A.G. system for checking identification created by the CAABC, the analysis of state laws relating to false identification, incorporating CAABC guidelines on community relations and other best practices taken from the alcohol industry.

Industry Best Practices – Transportation, Logistics and Safety: Flyte combines transportation, logistics and best safety practices highlighted above with a targeted approach to retail deliveries that balances customer service with logistics optimization and driver safety. Transportation, logistics and safety for retail deliveries differ from distribution in that our drivers are transporting cannabis to our clients' residences and are traveling through areas and neighborhoods that are more concentrated with other vehicles and pedestrians and thus create a different set of hazards for retail delivery drivers. DHL and UPS are two of the nation's leading transportation and logistics companies that delivery millions of packages each year. DHL and UPS have developed their own SOPs for transportation, logistics and safety that include everything from keeping drivers safe to loading, unloading and route planning to interacting with customers at their place of residence, troubleshooting logistical delays and providing customer service in event of a lost or damaged package. We have modeled our SOPs for these same protocols in cannabis retail delivery and have garnered success across our existing cannabis businesses that conduct retail delivery. DHL and UPS offer a variety of insights and market trends that help us stay current with technological supply chain management and also help us achieve cost-efficiency and profitability. We also incorporate the same guidelines for driver safety and vehicle management highlighted above from the NHTSA to protect our delivery drivers. Together these guidelines and best practices are incorporated to our SOPs throughout the entire manual and are a key component of any SOP updates made when altering the manual for operations in new jurisdictions.

Industry Best Practices – Labor Relations: As described in Section B: **LABOR AND EMPLOYMENT PLAN**, taking care of our employees is a top priority and we empower our staff in every way to thrive in their respective positions. To this end we incorporate best practices for labor relations at all of our businesses, which includes working with labor unions and participation in collective bargaining. Ramiz and Mazin have been involved in the contemplation and/or execution of labor peace agreements (LPA) with the United Food and Commercial Workers (UFCW) labor union in Vista and San Francisco,



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and each of these business upholds strong labor standards in a supportive workplace environment. This includes agreements with UFCW to prevent disruptions of their efforts to communicate with and attempt to represent employees and provide UFCW with access to areas where employees work to meet with employees and discuss the right to representation, employment rights, and employment terms and conditions. These meetings may result in a card check process, in which union agents can obtain the signatures of workers on cards in a secret ballot election authorizing the union to represent the employees. Flyte's owners have formed a relationship with UFCW and many of its geographically specific sub-groups ("locals"), and have learned a lot about labor unions and organizing from our involvement with UFCW. Upon licensure, Flyte will work to establish a LPA with the local chapter for Santee, and will provide that LPA to the City immediately upon its execution.

Industry Best Practices – Safety and Health: We also incorporate best practices for occupational safety and health throughout our commercial cannabis operations to reduce the potential for injury and illness for all of our staff members. Our owners and the management team at each location are required to undergo training with OSHA, specifically the Cal-OSHA branch of this federal agency. The requirement of 30 hours is imposed on individuals in a leadership role as a requirement for opening the business along with ongoing renewals and continuing education with Cal-OSHA. It also requires us to establish a written Injury and Illness Prevention Plan (IIPP), which includes many elements, such as procedures to identify and correct health and safety hazards in the workplace, provide effective training to all employees so they can perform their job safely, and more. In addition, employers must communicate with employees in a form readily understandable by all affected employees on matters relating to occupational safety and health, including provisions designed to encourage employees to inform the employer of hazards at the worksite without fear of reprisal. We have gone above and beyond the 30 hours of required training to model some aspects of our employee safety procedures after OSHA's Voluntary Protection Program (VPP) and while we do not qualify for enrollment in this program, our owners and managers have carefully researched its requirements and begun to model certain elements of our operations after the VPP. Some of our owners have already formed SOPs that incorporate best practices for safety and health in conjunction with Aspen Risk Management Group at their existing facilities, and we are collectively working to tailor these SOPs for use in a commercial cannabis environment.

D.3. OWNERSHIP TEAM: DAY-TO-DAY INVOLVEMENT

Unlike other cannabis businesses with an inflated Board of Directors, Flyte's owners are intimately involved in day-to-day operations of the commercial cannabis business to ensure we are collectively meeting and exceeding operational standards imposed by local and state regulations. Our owners foster a collaborative environment with our staff to understand their day-to-day successes and challenges in hopes of constantly improving overall performance. Below is a summary of each of our Owners' involvement in daily operations and the associated responsibilities they maintain.

CEO Ramiz Naoum maintains a bird's eye view over the entire operation to ensure compliance and business stewardship. Ramiz provides overall leadership, maintains up-to-date documentation with the City and State, facilitates business development and coordinates retail strategy across all departments. He applies his background in commercial cannabis, convenience store retail, and telecommunications in the Greater San Diego Area to maintain a bird's eye view on all operations from the application phase through tenant improvements and day-to-day operations of the facility. He oversees insurance management, cash management, balance sheet analysis and all other activities that keep Flyte financially healthy and continually profitable. Ramiz is a dynamic executive with a passion for building and leading high performing sales teams. He has a proven ability to recruit, train, develop, coach, and mentor cannabis retail staff to achieve their full potential and oversees the Compliance Officer to ensure performance goals are being achieved. His expansive network of vendors will help Flyte maintain a diverse product menu that is aligned with purchasing trends across the State. Ramiz's role includes building trust with the local community, uncovering complex challenges, and presenting effective solutions to internal and external stakeholders, growing relationships with leading brands throughout California and driving top line revenue. His willingness to lead by example and convey expectations through actions are a unique asset to Flyte's day-to-day operations.

COO Mazin Stephan coordinates with leadership to implement Flyte's retail strategy and is continually looking for ways to expand Flyte's collective cannabis industry knowledge and expertise. Mazin provides data and observations of sales trends to the Inventory and Purchasing Team to guide procurement strategies and ensure Flyte's product menu features are current and diverse. He regularly collaborates with leadership on ways to improve sales through design and layout of the

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retail area, displays, discounts, storage mechanisms and much more. Additionally, his day-to-day involvement includes inventory management and making sure all the systems are running smoothly and efficiently through the use of technology and feedback from the team. Mazin stays current on all local and state licensing and helps Flyte develop, implement, and audit organization-wide SOPs to ensure compliance and exceed the minimum requirements of local and state regulations. His day-to-day oversight of compliance with local regulations, state laws, occupational safety and health laws, track and trace, taxes and various other regulatory compliance matters ensures Flyte can focus their efforts towards other areas such as managing daily operations, increasing efficiency, building revenue, and keeping up with facility maintenance.

CSO Chris Salem works together to ensure ongoing compliance with all design, operational and neighborhood compatibility requirements based on his experience in developing large scale commercial projects in Santee. This includes direct oversight over the renovation and outfitting process to ensure that the proposed cannabis retailer meets the same standards as all of their other projects in the City, mainly the complex across the street. He is also in charge of facility maintenance and uses his expansive network of local vendors to ensure all systems, such as HVAC and electrical, and all aesthetic components, such as façade and roofing, are maintaining to the best of our ability. Chris provides support for implementation of the Labor and Employment Plan, assisting with staffing and training to select qualified candidates from his other business to transition into roles at Flyte and ensure that Flyte is achieving all of its local hiring goals. Chris is also the Liaison between Flyte and all security vendors, including Armortech, Chief David Bejarano, Bay Alarm Company and Aspen Risk Management Group, working with these vendors to ensure Flyte has timely security solutions for personnel, surveillance, alarm and other needs on an ongoing basis. Finally, Chris applies his experience in alcohol and tobacco sales at his convenience stores to aid in retail strategy development and ensure all revenue goals are being met.

CRO Martin Salem's experience as a business owner in Santee across the street from Flyte's proposed location perfectly aligns with his day-to-day responsibilities as the Community Relations Officer. Martin is available 24 hours a day, 7 days a week as the Community Liaison for local residents to submit complaints, voice concerns or obtain more information about OTC's operation in Santee. He is the link between Flyte, the community and the local government, and meets with government officials on a regular basis to discuss costs, benefits, mechanisms for improvement and other aspects of the business. Martin and his brother are members of the Santee Chamber of Commerce and have owned this property and leased spaces to tenants for the last three years, which allows them to understand the nuances of the property and community to effectively implement and audit Flyte's Good Neighbor Policy. Martin is also responsible for forming community partnerships, developing, and hosting events and implementing other community outreach initiatives. Finally, he works with other executive team members to drive sales and marketing initiatives and ensure that OTC is well positioned to serve the local cannabis consumer market.



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SECTION E: NEIGHBORHOOD COMPATIBILITY PLAN

Flyte is committed to excellence in community integration and operational discretion in the cannabis industry. Our success in neighborhood compatibility is exemplified by the development and operation of 10 commercial properties in San Diego County, two of which are directly in Santee including a 6-unit strip mall and a comprehensive service center with a gas station, convenience store, quick-service restaurant, and car wash. We are also applying over 10 years of experience in integrating cannabis operations into local communities, showcasing our ability to blend seamlessly with both our immediate neighborhood and the broader Santee community. Recognizing the unique challenges of the commercial cannabis sector, we proactively seek to not just coexist but actively enrich the community fabric through meaningful engagement and ongoing dialogue with local residents. Our vision extends beyond merely operating a cannabis retailer; we aim to redefine the retail experience through an educational lens that highlights the wellness benefits and encourages responsible consumption of cannabis. At Flyte, we don't expect the community to adjust to us—instead, we meticulously tailor our operations to enhance community well-being, underscoring community safety and ethical business practices as our fundamental priorities. With a strategic approach that favors long-term community relations and sustainable success over immediate gains, our team brings our unique experience in seamlessly integrating cannabis operations and local Santee commercial businesses to the southwestern neighborhood of Santee. We are acutely aware of potential community reservations regarding our presence and have therefore crafted a comprehensive engagement plan that not only respects but also actively responds to such concerns. This plan is rooted in our unwavering commitment to exceed the operational standards set forth by the Santee Municipal Code (SMC) and the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), ensuring Flyte becomes a valued and trusted member of the Santee community.

E.1. PROACTIVE NEIGHBORHOOD ENGAGEMENT

We prioritize prevention strategies over reactive responses by preventing issues throughout our operations; this same approach applies to all our neighborhood compatibility and community integration efforts. Our owners are heavily involved with the businesses' community outreach efforts so they can stay in touch with the local community and ensure Flyte publicly addresses any complaints if they arise. They are also actively involved in our community benefits initiatives which allows them to engage with the community and ensure that our neighbors and the community know who we are and feel comfortable directly communicating with us if an issue develops. Furthermore, Flyte hosts and attends community outreach events as an opportunity to communicate with neighbors and local citizens about ways in which we can best serve the community's needs and alleviate apprehensions surrounding our operations. Community assimilation allows Flyte to have a direct link to Santee's community members, which will allow them to not only be accessible but to also be proactive in addressing any hints of complaints and/or dissatisfaction with the way Flyte's operations are being conducted. The following neighborhood compatibility efforts described below emphasizes a proactive approach to engagement with our neighboring community and the larger community in the City of Santee.

E.1.A. PREVENTING NUISANCE & NEGATIVE IMPACT

Santee is known for its sunny climate, good schools, and small-town friendliness, and we are very fortunate to have the opportunity to integrate our business model into an established business community. To cement our commitment to becoming a constant benefactor for the City's financial health, public safety and overall civic success, we have taken various steps to ingratiate ourselves with the Santee community and ensure that we are prepared to offer the best possible contributions to the local business landscape and to the community overall. We have developed numerous strategies for community outreach across the 3 different jurisdictions in which we operate commercial cannabis retail operations and while each jurisdiction is unique in terms of core values, beliefs and attitudes, we are intimately familiar with the requirements of being a good neighbor and a positive contributor to public safety, health and welfare given the sensitive nature of our business. Below are some of the strategies that we will implement to get to know the Santee community, understand the community's needs and craft the best possible Neighborhood Compatibility Plan for how to best aid in the neighborhood's sustained growth:

Community Relations Officer: Flyte has appointed Owner Martin Salem as the Community Relations Officer (CRO) that will serve as the community relations contact required by SMC § 7.04.460(A). The Community Relations Officer's contact information, including phone number(s), email, and any other applicable contact information, is being provided to the City and to all residences and businesses within 500' of the facility, which is six times the requirement of 100' promulgated by



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SMC § 7.04.460(A). The CRO is available in person 24 hours a day, 7 days a week for citizens to voice their concerns regarding our operations. The CRO's contact information is also conspicuously posted in a visible font size on the main entry doors to our premises and in the lobby, and management provides any complainants or inquirers with the CRO's contact information. Flyte ensures the CRO's contact information is accessible on our website, marketing material, technology platforms, and is available to any individual upon request. A designated manager is always available during business hours to facilitate access to the CRO if requested by a patron, neighbor or other interested party. If at any point we designate a different individual as the new Community Relations Contact for the City, we will provide the new contact information to the City Manager within 48 hours of the designation.

Flyte Open House: We plan to host an Open House as an early outreach effort to integrate into the local community and establish rapport with our neighbors. The Open House helps us get to know our neighbors, community members, regulators, local business owners and all of the other important people that have helped make Santee the highly regarded community it has become. We provide a tour of the facility and the overall property, walk attendees through all of the neighborhood compatibility strategies listed in this plan and solicit feedback regarding the community's concerns about our operations and how we fit into the local landscape.

Community Outreach: Multiple members of our team have already spent time in the community conducting outreach and forming relationships with our neighbors and other community members. Flyte owners, Chris and Martin Salem have spent significant time in the City going door to door to meet local business owners, notify them about our planned operations, understand any concerns they might have about commercial cannabis and try to alleviate these concerns through explanation of our experience with promoting public safety and security. Chris and Martin began their outreach by holding meetings with their other tenants in the shopping center at 9805 Prospect Ave to discuss the potential integration of Flyte's commercial cannabis retailer at the property. They already had existing relationships with many other business owners in the area given that they operate service center across the street at 8617 Cuyamaca St, so they also held meetings with neighbors in a larger radius to extend to the shopping center across the street and other businesses in the area. These meetings yielded discussions of Flyte's proposed location, proposed security measures, nuisance mitigation, and other neighborhood compatibility efforts, community benefit initiatives and tentative plans for future collaboration upon our licensure. Chris and Martin were also able to gain a thorough understanding of the community's overall aesthetic preferences for interior and exterior design so we can ensure that our facility blends with the community upon renovation and outfitting. Overall, this outreach yielded positive results and helped our team establish meaningful relationships and connections with Santee's business community.

Leadership in Community Integration: Ownership and management are held accountable to the community and are willing to implement changes to ensure good neighbor policies are upheld. Flyte's ownership, boasting a combined 50+ years of experience in commercial cannabis operations and other highly regulated industries, including real estate development and retail sales, is uniquely positioned to ensure that its cannabis business in Santee operates without becoming a nuisance to neighbors or the surrounding community. The blend of Chief Executive Officer Ramiz Naoum and Chief Operating Officer Mazin Stephan's extensive experience in managing and expanding Off The Charts—a consortium that stands as a testament to successful, responsible cannabis retail with significant community contributions—and the Salem Brothers' deep understanding of Santee's commercial real estate landscape, sets a solid foundation for Flyte. This team's track record of fostering economic growth, managing high transaction volumes, and adhering to a family-owned business ethos in cannabis retail, alongside their mastery in navigating the complex zoning and planning requirements of Santee, underscores their capability to integrate seamlessly into the community. By leveraging their comprehensive expertise and commitment to compliance and community welfare, Flyte is poised not just to operate a cannabis business but to do so in a manner that enhances the quality of life in Santee, reflecting a model of responsible civic development and industry leadership.

E.1.B. PROACTIVELY ADDRESSING & RESPONDING TO COMPLAINTS

Our first steps towards addressing and responding to complaints involves reaching out and listening to the community. This begins with the permitting process, which will give Flyte the opportunity to work directly with the City and engaged citizens to address any concerns prior to opening the Dispensary. Typically the most concerned and conscientious members of the community make their concerns heard during our early outreach process; Flyte's owners pride themselves in being able to collaborate with concerned community members to adapt our proposed plans in a manner that best acclimates to the



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surrounding community. Upon operations commencement, Flyte handles complaints regarding noise, light, odor, vehicle and pedestrian traffic immediately through the Community Relations Officer, who is the facility's direct link to the community and is responsible for all public relations. As described above, the Community Relations Officer's contact information is provided to all neighbors within 600 ft of the facility. Our Community Relations Officer attends relevant City and community meetings and act as the facility's voice in the community. They take part in neighborhood committees and work with neighbors to avoid any potential problems. They also take part in quarterly meetings with the City Manager and any interested parties to discuss costs, benefits and concerns of the community. We provide the Community Relations Officer's contact information to law enforcement, and they maintain open lines of communication with city administrators, media, and concerned citizens to handle Flyte's community affairs. They spearhead Flyte's community outreach and coordinate participation in community events and charitable efforts. Our Community Relations Officer represent the facility at industry conventions and educational seminars. The Community Relations Officer works with the facility to make sure operations correspond to the adopted ethos of Flyte as a good neighbor to the community and value-add partner to the city. The Community Relations Officer also keeps detailed logs of citizen and community feedback concerning operations to ensure Flyte's position as a valued community member.

Addressing Specific Complaints: We have outlined a series of risk factors such as robbery, attempted robbery, theft and vandalism, transient activity, loitering, possible narcotic activity, noise, light, odor, loitering, littering, public consumption, vehicle and pedestrian traffic, and we have developed a series of preventive measures that deter the occurrence of adverse public nuisance events. Any occurrence that triggers a complaint is documented as nonconformance, and we conduct an investigation to determine how the preventive action failed and we correct future measures to prevent future complaints. Our security strategies to mitigate these potential nuisance sources are described below:

Noise: One of our main neighborhood compatibility goals is to create preservation of a peaceful, quiet environment outside our facility. Security Personnel are trained to detect and monitor individuals or groups of individuals that carry on and pose a threat of excessive noise to neighbors and the surrounding community; this includes constant observation of the facility perimeter for groups larger than two individuals. Security personnel quickly travel to the source of the noise, calmly ask any individuals who are excessively loud to quiet their voices, and ensure neighbors are not disturbed. Security personnel are trained to detect signs of intoxication, which could lead to an individual's lack of control over voice or tone. We prevent any lines or other potentially large gatherings outside the facility through efficient management of the Lobby as well as efforts made by Cannabis Consultants to limit transaction times and shorten intervals, so customer noise levels do not build up. We respond to noise complaints by communicating with the complainant to obtain information about the source of the complaint, determining the source of the excessive noise, taking action to prevent the source from occurring again, analyzing how the preventive action failed to prevent the excessive noise and working to develop new protocols that prevent, rectify, and resolve this type of noise occurrence moving forward. Daily exterior inspection is conducted as a reinforcement of our patron conduct policy, which prevents excessive noise stemming from our customers or employees. Customers are instructed through posted signage to respect adjacent businesses and properties by being quiet when leaving the premises. Dual pane windows are incorporated into our design as an additional safeguard to mitigate any potential noise or odor from passively escaping into the public. Security personnel roam the property on a routine basis to listen for excessive noise on the premises.

Light: We have implemented a Lighting Plan that balances perimeter security with neighborhood compatibility to both illuminate our premises to detect security threats and prevent light pollution that could trigger a complaint by one or more of our neighbors. We work with our designer and engineers to develop a photometric plan that ensures sustained security lighting while limiting footcandle or lumen impact on the surrounding area. Daily inspection procedures include inspections for burnt-out bulbs and lighting deficiencies in the parking lot, paths of travel and building entrances to ensure that these areas are illuminated during all hours of darkness and that there are no flickering bulbs that could cause light pollution. We then confirm that lights are directed downward with the capability of providing average horizontal illumination of one foot candle. Our interior and exterior lighting scheme is designed to mitigate light pollution on our surrounding neighbors while facilitating safety and security on the premises during operational and non-operational hours. Daily inspections help us uphold these facility maintenance standards and design principles. Please see *C.5.A. Perimeter Security: Exterior Lighting* within **SECTION C: SECURITY PLAN** for further detail.



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Odor: The offsite drift of cannabis odors could result in an increase in attempts of criminal activity as cannabis odor emissions could notify individuals of our business' nature when they were not previously aware that cannabis was sold onsite. We proactively address odor by implementing an Odor Control Plan (OCP) that includes outfitting the facility with odor control equipment, upholding a prohibition of onsite consumption of cannabis, alcohol and tobacco, executing regular maintenance activities that exceed minimum requirements of manufacturers or ANSI standards and other cultural controls to prevent the drift of cannabis odors offsite. Flyte works with a certified industrial hygienist to implement an OCP that incorporates industry-best practices such as Merv-13 activated carbon filters built into a negatively pressurized environment through our HVAC system. We incorporate vegetation such as the golden pathos and living walls with eucalyptus which further aid in our ability to scrub volatile organic compounds from the facility.

Vehicle and Pedestrian Traffic (Parking Problems): We have identified risk factors for delivery vehicles, customer vehicles, third-party vendor vehicles and pedestrians that may result in a neighborhood compatibility non-conformance and subsequent security threats. Our commercial vehicle storage and incoming shipments occur within Vendor Intake in the secure parking area behind the facility and do not interfere with traffic on Prospect Ave or Cuyamaca St or with neighboring businesses. Security personnel patrol the parking lot to ensure customers are not inhibiting traffic for neighboring business' vehicles, commercial vehicles or pedestrian traffic. We will allocate one security guard as a Parking Attendant during high traffic hours of operation to ensure that there are no parking problems in the shopping center parking lot or in the adjacent parking lot on the Southern parcel. The parking attendant will be responsible for directing patrons to and from spots to avoid congestion and traffic accidents within the parking lot. We coordinate incoming or outgoing shipments of cannabis goods, equipment, and non-cannabis business materials during times when customer traffic is expected to be the lowest to avoid excessive vehicle traffic. We proactively address delivery-related vehicle traffic by coordinating delivery schedules ahead of time and always secure incoming deliveries in the restricted area of the parking lot. Security Personnel observe all customers exiting the facility as they leave the premises to either their vehicle or to a public transportation stop and shall ensure that all pedestrians are using sidewalks, adhering to proper rights of way and that no loitering is occurring. Security Personnel monitor the parking lot, the off-street parking areas within 50 feet of the premises and adjacent properties to ensure these areas are cleared of employees and their vehicles one-half hour after closing. We prevent impaired driving and customer behavior that could lead to excessive traffic, accidents, or other traffic concerns. Signage is prominently posted to inform customers of the potential for cannabis to impair drivers.

Robbery, Attempted Robbery and Theft: Our facility features various systems and protocols to prevent robbery, attempted robbery and theft. Our alarm and remote monitoring system is installed and managed by the Bay Alarm Company and features intrusion detection, ceiling-mounted motion detection, wall-mounted motion detection, strobe/horns and various other systems that transmit notifications to the Bay Alarm Company and law enforcement immediately upon being triggered, regardless if it occurs during operational or non-operational hours. Bollards are affixed in various places throughout all sides of the building to prevent robbery through vehicular intrusion, which has been an increasingly common method throughout California in recent years. Video surveillance also captures footage within 50' of the building at minimum and is regularly viewed to detect patterns in certain individuals entering or remaining about the premises. Security personnel also conduct roving patrols of the facility on a regular basis to observe individuals that may be casing the facility in preparation for a robbery; any individuals who are regularly present on the property but are not related to our business' activity are immediately confronted and ask to leave the premises if they are not related to the operation. Burglary training provided to staff is designed to eliminate direct conflict with suspects, making various mental notes and observations while facilitating rapid suspect departure. Mental notes include descriptive features and distinguishing marks on suspect(s) including clothing, hair color, eye color, scars, tattoos, etc. Staff is trained to handle high stress situations by prioritizing staff and customer safety over money and merchandise. Employees are shown locations of silent alarms and panic buttons but are always instructed to comply with demands and alert robbers/burglars of potential escalation factors. Flyte employs a no chase policy and trains staff to enforce minimum contact protocols with robbers. Robbery management training is aimed at teaching de-escalation techniques and emphasizing customer and staff safety. Staff must remain as calm as possible – refraining from spreading panic and following direction as swiftly as possible. Crime scene preservation (such as items, entryways and control systems accessed and utilized by suspects), cooperation with law enforcement, alarm activation and maintaining confidentiality of occurrences are additional training concepts. Such protocols are in effect to protect staff, security, and the general public from harm including bodily injury or death. In addition to training for security and safety,



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all staff completes the following courses: FEMA IS-906: Workplace Security Awareness, FEMA IS-907: Active Shooter and FEMA IS-912: Retail Security Awareness. Management also completes: FEMA IS-37.19: Managerial Safety and Health. Flyte's burglary and robbery protocols focus on protecting assets, preventing unauthorized entry, and deterring crime from the outset. All Flyte employees are trained on how to both deter these crimes and how to respond during the commission of these crimes in order to maximize safety.

Vandalism and Graffiti: Vandalism entails anything from graffiti to property damage and various other activities that can compromise our facility's aesthetics or functionality. We take a proactive approach to ensure our property and associated areas, parking lots, sidewalks, and alleys are maintained in an attractive condition and kept free of obstruction, trash, litter, debris and graffiti at all times. The building façade is coated in siloxane anti-graffiti paint, but certain chokepoints for graffiti may still exist even after coating such as windows or other parts of the building.

Daily exterior inspections include a property-wide search for any graffiti and property damage no less than twice a day and immediately after receiving a complaint. Daily exterior inspection protocols for graffiti include observation of all surfaces on our facility and on neighboring structures to detect any graffiti or derogatory markings. The parking lots and south facing façade have been identified as high-risk areas for vandalism and trash accumulation and are primary focuses of our daily exterior inspections. Any evidence of vandalism is immediately photographed for our internal records, reported to SDCSD and remedied as needed, such as painting over graffiti on the building and replacing any damaged elements on the property. Our video surveillance system functions 24 hours a day, 7 days a week and have sufficient clarity to capture any perpetrators who have committed vandalism; any footage of enacted or attempted vandalism is immediately provided to SDCSD upon discovery. Security personnel may be stationed overnight if we determine the need for 24 hour in-person monitoring, and overnight security personnel will patrol the property to detect any individuals who may be planning or attempting vandalism.

Litter and Urban Blight: The property line adjacent to the rear of the facility and the Southern parking lot present a high risk for litter and urban blight due to the nature of the business. Managers, day-to-day employees and Security Personnel conducting inspections for vandalism and litter are trained to search for and detect high-risk litter items such as empty, cannabis packaging or empty tobacco/alcohol containers along with trash items like food wrappers, bottles, cans, papers, single-use face masks, and other general litter. Any trash observed is immediately picked up and disposed of accordingly.

Loitering: Our policies for neighborhood compatibility prevent individuals from delaying or lingering on the premises without a lawful purpose if they are not conducting any activity relating to our daily operations. Security personnel patrolling the exterior of the facility are trained to detect and monitor individuals that are delaying or loitering and posing a threat to neighbors and the surrounding community within at least 100' of the facility; this includes constant observation of the facility perimeter for groups larger than two individuals. The parking lots, the sidewalk on Prospect Ave and Cuyamaca St, and the storefronts of neighboring businesses within a 100' radius are areas of heightened priority for security patrol to prevent loitering. We post appropriate signage at multiple points throughout the facility exterior to reinforce that loitering, vandalism, and criminal activity are not permitted. Signage reinforces this prohibition by communicating that loitering, cannabis consumption or any other activity that could lead to a disturbance on the premises is never allowed. Our daily inspection of the facility exterior includes confirmation that signage is intact and legible, so loitering prohibitions are consistently enforced. These measures alleviate loitering and delaying concerns that may contribute to the accumulation of trash, graffiti, or other public nuisances on our facility's exterior.

Transient Activity: Transient activity and homelessness is an ongoing issue in San Diego County. In 2023 homelessness increased by at least 25.9% in the county, and 58% in the city of Santee. Our neighborhood compatibility plan aims to address this trend by ensuring our staff and security personnel promptly and effectively handle any transient activity or signs of homelessness that may occur on or surrounding our premises. Our security personnel are trained to patrol the property and detect any transient individuals who may be attempting to settle on the property. Transient activity can often be confused with loitering, with a primary distinction being the presence of materials that could constitute the attempted development of a temporary residence such as a tent, shopping cart and other materials. Security personnel patrolling the property are required to report the presence of these items along with any other occurrences that they feel could lead to transient activity and temporary settlements in or around the premises to management and to the SDCSD, who can be dispatched to further investigate the matter. While Flyte is committed to preventing the occurrence of public nuisances related to these



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individuals, we are empathetic to San Diego County's transient and unhoused population and are in conversation with the nonprofit East County Transitional Living Center (ECTLC), which offers assistance to individuals in San Diego County in need of emergency housing. We will ensure that the local transient and homeless community have access to resources by donating to ECTLC and supporting their established programs that provide emergency shelter, food services, youth services, education opportunities, and employment training.

Possible Narcotic Activity: Narcotic activity is an immense threat to our daily operations, and we have a no tolerance policy for any narcotic activity occurring on or around our premises. Security personnel are trained to detect the signs of narcotic activity, which could include but is not limited to, the presence of small plastic bags strewn about the property, gatherings of two or more individuals who appear to be negotiating, unusual vehicles parked alongside each other, individuals who are loitering and making numerous phone calls and various other indicators of possible narcotic activity. Any detection of suspected narcotic activity is immediately reported to the SDCSD, and we provide any recordings of suspected narcotic activity during non-operational hours to SDCSD. Any discovered narcotic waste will be reported to police and, if necessary, picked up and disposed of in accordance with biohazardous waste procedures.

Public Consumption and Patron Conduct: We promote the responsible purveying of cannabis products by upholding a prohibition on public consumption of cannabis, alcohol and tobacco among other nuisance mitigation strategies. Management carefully monitors patrons to identify behaviors that suggest intoxication and/or impairment. Cannabis impairment can be subtler than alcohol intoxication, but there are telltale signs that staff are trained to identify. We use the mnemonic device SCAB, which stands for Speech, Coordination, Appearance and Behavior; any individual who exhibits intoxication traits related to speech, coordination, appearance and behavior is prohibited from entering our facility. Suspicious/bizarre behavior is reported to Security Personnel and handled appropriately. If the store encounters a belligerent or otherwise high-risk customer, Security Personnel asks the customer to leave the premises and make all reasonable efforts to ensure the customer does not drive if intoxicated. If the situation continues to escalate, then local law enforcement is contacted for assistance.

Landscaping: We inspect the facility exterior for grass, weeds, and foliage within 50' of the building that may lead to the harborage of pests, any food or water supply outside of the facility that could attract and support a pest population, check all of the pavement on the premises and ensure it is well-maintained, arrange to have any cracks in the pavement repaired, check that all dumpsters are closed and close any open dumpsters. The proposed landscaping will include California native, drought-tolerant plants indigenous to San Diego County. Drought-tolerant flora ensures low-maintenance landscaping by avoiding many weed species and seasonal browning endemic to grasses and non-indigenous species. Moreover, by committing to drought-tolerant landscaping, we avoid overgrown bushes and shrubbery that could enable persons to conceal themselves or use landscaping features as a hiding place (SMC § 7.04.320(A)(16)).

Social Media Monitoring: Using social media as a tool to monitor and respond to complaints is essential for maintaining customer and community satisfaction and safeguarding our brand's reputation as a corporate citizen in the City of Santee. We first set up social media monitoring tools like Hootsuite, Sprout Social, or Mention to keep tabs on brand mentions across various social networks in real-time. It's important to monitor not only direct mentions of our brand but also relevant hashtags, product names, and common misspellings to capture the full spectrum of customer and community sentiment. Next, we implement our social media response plan which involves clear and streamlined guidelines for responding to customer feedback, including setting a tone of voice, response time targets, and escalation paths for more serious issues. We train employees to ensure they are equipped with customer service and crisis management skills, enabling them to engage with customers effectively and empathetically. We respond promptly to complaints to show that their feedback is valued. We also analyze customer feedback for insights, tracking sentiment over time to identify possible trends in complaints, which can inform product improvements, service enhancements, and community engagement. Moreover, by turning complaints into opportunities to demonstrate our commitment to customers and the community, we can build a stronger, more positive reputation that embodies trust and compassion.

E.2. YOUTH PROTECTION PLAN

We take the sensitive nature of youth exposure to cannabis and the potential harm it may have on a given community's youth population very seriously and are committed to uphold Santee's pride in their school systems and youth development.



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We implement carefully thought-out and tested youth prevention actions from our planning phase to daily operations to ensure there are clear cultural and physical boundaries between our cannabis retail activity and Santee youth and schools. The overall location is strategically located away from any buildings or stores that cater to youth, to prevent any exposure to youth and avoid any potential negative feedback associated with a sensitive use like cannabis retail. To further mitigate issues of youth exposure, Flyte has developed a comprehensive strategy to proactively protect youth from the impacts of exposure to cannabis and maintain maximum discretion throughout operations. Our strategy includes a heavy focus on perimeter security bolstered by personnel from Armortech, detail-oriented check-in and client verification procedures and limited and tactful exterior signage. Our strategy has been proven to be effective in our other licensed cannabis retail businesses throughout California and Ohio. We have scouted the immediate neighborhood surrounding our proposed location at 9805 Prospect Avenue to identify and mitigate any impacts the location may have on Santee's youth. While our proposed location is compliant with all zoning buffers established by the City, we believe every location requires a heightened approach to public safety and youth protection. Accordingly, we have developed an overall Youth Protection Plan to prevent youth exposure to cannabis and provide parents and the overall community with a sense of comfort that the youth population is insulated from our commercial cannabis operations. The Youth Protection Plan includes the following proactive protection components:

Marketing and Advertising Practices: We go to great lengths to ensure that all marketing and advertising practices are implemented in a way that does not target underage customers. We obtain reliable up-to-date audience compositions demonstrating that 85% of our audience is reasonably expected to be 21 or older, which aligns with our customer base's composition. This is well above the state mandate of 71.6% and ensures that our advertising and marketing strategies predominantly target an adult audience. We do not advertise via billboards within the confines of San Diego County to protect both the youth population within the city limits and the youth population in surrounding areas where they could be attracted to our facility in Santee. We also do not advertise internet sources that youth frequently use, such as TikTok or Snapchat. We utilize age-gating strategies to ensure only individuals 21 years and older are permitted to access content on our website. Further, we ensure that all advertisements do not depict individuals under the age of 21, nor will they feature products that are packaged or labeled in a way that appeals to minors, as these cannabis goods are not carried at our store.

Signage and Identifying Markers: Our facility's façade does not include any cannabis-related graphics, signage, or identifying markers that could communicate the building's use for retail cannabis activities. The building's windows are frosted and preclude visibility to any of the displays or contents of the proposed facility. Our storefront signage is carefully crafted to avoid any suggestion that we specialize in commercial cannabis sales. Our delivery vehicles also do not have any signage that would make one recognize it as a cannabis delivery vehicle. Delivery vehicles have designated parking spaces at the rear of the property where the movement of cannabis goods is completely out of view by the general public.

Perimeter Security: Our Youth Protection Plan prevents loitering by individuals of all age groups. Security Guards conduct roving exterior patrols to reinforce perimeter security and uphold the commitments to preventing public disturbance outlined above. Roving Guards deter public nuisances and threats such as excessive noise, litter, graffiti, crowds, urban blight, and any other criminal activity that occurs within proximity of our business operations, with specific observations of these individuals' general ages in an effort to detect youth about the facility's exterior. Security personnel patrolling the facility's exterior are trained to detect and monitor individuals loitering or behaving in ways that could attract youth passing by the facility. This includes customers who have recently left the facility and are gathering by their vehicles or adjacent streets. Security personnel instruct these individuals that they cannot remain on the premises and reinforce our cannabis consumption prohibition if they are attempting to use products they have just purchased. We also incorporate "mosquitos" around our premises, which emit a specialized high-frequency sound only detectable to individuals approximately 25 years and younger, providing loitering prevention targeted specifically for youth.

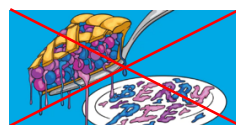
Identification Verification: We station Security Personnel at the entrance of the facility who work with Cannabis Consultants who have been designated as Verification Specialists to check customers into the facility. Verification Specialists and security personnel are well-versed in spotting false identification and confirming the validity and identification of customers before allowing them to enter. Security personnel are responsible for de-escalating situations where a minor has attempted to enter the facility with false identification and contacting law enforcement to determine the proper course of action. The presence of security personnel combined with rigorous check-in procedures ensure only



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qualified individuals gain access to the facility. By being subjected to ID verification upon entrance, at check-in, and upon checkout, Flyte staff triple verify all customers to ensure no underage individuals or individuals with false ID can access the facility or purchase product.

Product Procurement Standards: We maintain compliance with all state and local regulations governing the production, sale, packaging, and labeling of cannabis goods that appeal to minors. Specifically, we only source cannabis goods from licensed operators, and we do not carry cannabis goods that depict images, logos, or other visual characteristics that are designed to mimic popular candy, soda, food, snacks, or any other popular products that are consumed by minors. If we receive any questionable products that imitate any packaging used for goods that are typically marketed to children, we deny the shipment and have it sent back to the appropriate distributor. While this is required by law, we believe that limiting the amount of cannabis goods that are attractive to children will help keep cannabis goods out of the hands of curious children of parents who use cannabis.



Odor Control: Cannabis odors are quite distinct, and youth who may not know what cannabis smells like could pursue the source of the strange odor. If these odors escape outside the building, our facility could become recognizable as a commercial cannabis business. We take a multi-faceted approach to odor control to mitigate this potential issue. We proactively address odor to prevent youth exposure and possession by implementing the Odor Control Plan described above.

Monitoring Purchase Limits: Transactions are completed under a client's profile and customer ID number within the Meadow POS system. This allows us to track purchasing histories and ensure clients do not exceed daily purchase limits. We document when customers regularly meet or try to exceed their daily purchase limits and flag this individual's Meadow profile. Monitoring daily purchase limits allows us to see which customers may be purchasing excess cannabis goods that may be diverted to minors. We maintain logs of these occurrences that contain the client's identifying information, create a document of high-risk clients, and train our Cannabis Consultants to observe the store for these customers. Verification Consultants are also trained to recognize these high-risk customers. If a Cannabis Consultant observes one of these high-risk clients in our store, they are instructed to alert a Team Lead, who will be present to verify identification, oversee the entire transaction, and ensure that the client cannot exceed their daily purchase limit.

E.2.A. PUBLIC HEALTH OUTREACH STRATEGIES

As part of our effort to educate the public of youth consumption prohibitions, including the risks of youth addiction to cannabis, and resources available to youth related to drug risks and addiction, we develop a Community Awareness and Youth Safety Initiative (CAYSI) for youth organizations and educational institutions in each community we operate. The initiative takes a multi-faceted scientific and sociological approach to this sensitive topic. We combine simple principles of biology and mental health to explain addiction and how cannabis impacts the young brain and body while acknowledging the social implications of drug use, such as peer pressure, social withdrawal, etc. The human brain is not considered fully developed until the age of 25, even though it is legal to consume cannabis at age 21, so we have outlined educational outreach efforts for youth of all ages to ensure they know the risks of cannabis use even if they are legally allowed to consume. This initiative is developed in coordination with local school officials and leaders of youth organizations to ensure outreach and educational materials are directly correlated to the local youth population's needs and attitudes. Some of these educational materials are distributed in our store along with their placed orders when customers make a purchase, while other materials are distributed to school officials and leaders of youth organizations to use and pass along to local families. We hope to use this initiative as a platform of contribution to Santee's public health outcomes for the youth population, using education and transparency to both inform and protect Santee's young community members. The CAYSI is comprised of the following core strategies: (1) Develop consumer education to ensure parents and other members of society understand the risks of youth cannabis use and can aid our efforts to keep cannabis out of the hands of youth; (2) Collaborate with local school and government officials to disseminate educational materials, audit the effectiveness of educational materials and update/provide new materials as necessary; (3) Collaborate with non-profit organizations such as the California Department of Public Health (CDPH) Youth Cannabis Prevention Initiative and D.A.R.E. to provide support resources to youth and ensure any education efforts made by other organizations are confounded in accurate data and scientific principles; (4) Implement a Youth Protection Plan at our facility that has proven to be successful in preventing youth access and exposure



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to cannabis at other facilities; and (5) Conduct regular community outreach to hear community member concerns on youth cannabis use and Flyte's role in prevention.

Community Outreach: We value communication with the local community, and we connect with community members and local officials on a regular basis. This starts during the application phase of the overall process. We send out introductory letters to all neighboring businesses and residences within 600' of the facility. We also send flyers inviting community members to our Flyte Open House and our Grand Opening. We reach out to the local Parent Teacher Association (PTA) at Pride Academy, Carlton Hills School, Chet F. Harritt School, Carlton Oaks School and any other relevant educational institutions to hear concerns and form a collaborative relationship to improve our Youth Protection Plan. These meetings occur on a quarterly basis. We also check in with our neighbors regarding our performance in neighborhood compatibility, youth protection and public safety. We provide surveys with a series of targeted questions for neighbors to evaluate the implementation of our Good Neighbor Policy and CAYSI, with a comments section where neighbors can highlight any additional concerns they may have. Our Community Relations Officer and other members of ownership and management evaluate these surveys, contact neighbors that have brought up additional concerns and form a plan to mitigate these issues. We believe that maintaining our role as a good neighbor and responsible member of the local business community is an important performance indicator for our operation and we hold ourselves to extremely high standards with respect to community outreach regarding youth protection and prevention.

Educational Materials: Our Consumer Education Plan (CEP) includes the development of educational materials that are designed for parents to prevent their children from accessing their cannabis products and to also help them educate their children about cannabis. We solicit input from local school officials and survey local parents on what information is the most helpful regarding these topics, send them to the City Manager and any other necessary local officials for approval and disseminate them to our clientele with purchases of cannabis made at our store or through our delivery service. Some past topics include child-proof packaging, keeping cannabis locked away if children are present in the home, laws governing diversion of cannabis to minors, negative impacts of cannabis on youth development and impaired driving prevention.

Resources Available to Youth Related to Drugs: We plan to work with the following organizations to collectively provide resources to youth relating to drugs and addiction:

SAY San Diego: Founded in 1971, Social Advocates for Youth (SAY) San Diego is a youth advocacy agency encompassing over 30 programs that strengthen the whole child, the whole family, and the whole community. SAY engages the San Diego community to work collaboratively and partners with organizations such as schools, community coalitions, and local government to create positive change. Flyte plans to work directly with SAY's Alcohol, Tobacco & Other Drug Prevention Program (ATOD), which is designed to provide substance abuse knowledge and support to those in need. This program includes key partners such as (1) the Central Region Prevention Coalition (CRPC), which mobilizes youth, residents, and community partners to address alcohol, tobacco, and other drug use trends among San Diego County adolescents by providing training and technical assistance; (2) Promise Neighborhood - Barrio Logan, which engages in community organizing and education to prevent ATOD-related issues and improve safety through culturally relevant approaches; and (3) the North City Prevention Coalition (NCPC), which influences policy, provides technical assistance, facilitates community and parent presentations, and encourages youth-led projects to raise awareness of substance abuse issues. By collaborating with SAY San Diego and its ATOD program, Flyte is committed to supporting established local youth prevention strategies, contributing to the overall health and well-being of Santee's younger residents.

D.A.R.E.: D.A.R.E. was founded in 1983 as an extension of youth education on risky behaviors such as drug and alcohol that was already being taught in schools nationwide. Today, D.A.R.E. has grown into a massive network of non-profit organizations, teachers and other stakeholders that educates school children and faculty about the dangers of drug and alcohol use in the form of events, presentations, written materials and various other media. D.A.R.E. has a California chapter that is one of the organization's oldest in the nation. Flyte plans to form a partnership with D.A.R.E. to provide resources for youth in the form of counseling and outreach. Concerned parents can contact us via phone, email or in person to link their child with a D.A.R.E. representative, who may be able to help the child directly or link them to more concrete healthcare, counseling or other resources. We will also collaborate with the California D.A.R.E. chapter to audit the effectiveness of our youth prevention strategies, receive guidance on how best to reach as many people as possible and the



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distinct nuances of providing education to youth without directly being able to interact with them at our facility. We hope D.A.R.E. will be an ongoing partner of Flyte in Santee to ensure we are doing our best to promote public health and safety for the youth of Santee and San Diego County.

California Department of Public Health (CDPH): The CDPH will be an ongoing collaborative partner of Flyte's to ensure that we are providing the most up-to-date and most effective resources available to youth regarding cannabis and addiction. The CDPH's Youth Cannabis Prevention Initiative includes the California Cannabis Surveillance System (CCSS) and the Cannabis Education and Youth Prevention Program (CEYPP). The CCSS is a public health data collection and analysis system for youth and adult cannabis use, legal, social, and environmental impacts, and health outcomes. The CEYPP provides health education and prevention to reduce the negative impacts and consequences of cannabis use through state and local partnerships and public awareness campaigns. We look forward to forming these local partnerships, receiving guidance from CDPH on public awareness campaigns and modeling our outreach programs after CDPH's proven strategies to mitigate cannabis use in youth populations.



**California Cannabis Health
Information Initiative**

Youth and Cannabis

Cannabis (marijuana, weed, pot, etc.) may affect your educational and professional goals and how successful you are in life. Because your health and future are important to you, here are some things you should learn about how cannabis use influences your body and brain.



Cannabis Affects Your Brain

- Your brain is still developing. Using cannabis regularly in your teens and early 20s may lead to physical changes in your brain.¹²
- Research shows that when you use cannabis your memory, learning, and attention are harmed. Some studies suggest a permanent impact as well.¹³

Most Teens Are Not Using Cannabis

- In 2016, most high school students in California reported they were not using cannabis. Only about 15 percent (less than 1 in 5) reported using cannabis in the past 30 days.¹⁴



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SECTION F: COMMUNITY BENEFITS AND INVESTMENT PLAN

Flyte is dedicated to building upon the existing presence that Owners Chris and Martin Salem have developed in Santee through the ownership and operation of the 76 gas station, Soapy Joes Carwash, and Circle K convenience store at 8617 Cuyamaca St. This facility contributes roughly \$10 million in annual revenue, a significant portion of which is allocated to the City of Santee in the form of tax contributions. The cannabis industry offers various opportunities for community engagement and philanthropy that are not typically available in other industries, and when the City of Santee announced that they would be opening a commercial cannabis application process, the Salems knew they wanted to pursue these opportunities. Chris and Martin already established themselves as reputable business owners in Santee, but a partnership with vetted cannabis industry professionals with Ramiz Naoum and Mazin Stephan enhanced their ability to truly make a difference in the community. Ramiz and Mazin have a proven ability to generate revenue in the cannabis industry, which is exemplified by the performance of their business in Vista that generates over \$20 million annually. The application of Ramiz and Mazin's experience in the cannabis industry combined with Chris and Martin's experience as existing Santee business owners will yield substantial revenue outcomes, which will be redistributed back to the City and to local organizations and ultimately improve various socioeconomic outcomes throughout Santee.

Flyte is poised to integrate thoughtfully into Santee's existing business community through the implementation of a Community Benefits and Investment Plan that features targeted initiatives, policies, and outreach efforts designed to enhance the quality of life for Santee residents. Flyte emphasizes meaningful community engagement and robust support for our employees. This plan details our dedication to offering exceptional employment opportunities with comprehensive benefits, competitive wages, and a focus on local hiring to elevate the local workforce. Moreover, we are committed to active participation in the community through partnerships with local organizations aimed at fostering equity and generating positive impacts on residents' quality of life. With a keen understanding of Santee's needs and a strategic approach to community benefits, Flyte is eager to contribute positively to the community's socioeconomic landscape. Our aim is to not only launch a successful cannabis retail business but also to ensure it serves as a beacon of community support and sustainable local development. Flyte is excited about the opportunity to introduce our responsible, community-focused business model to Santee and to become an integral part of its future.

F.1. COMMUNITY AID

In Santee, we are committing **one percent (1%) of gross receipts** to local non-profits, community-based organizations, civic organizations, and social services organizations working to help the City accomplish its goals and facilitate a better, more prosperous Santee. This is allocated to local organizations in addition to the Direct Fee of 6% allocated to the City, which is described below under **F.4. Direct Fees to the City**.

Contribution Methodology and Prioritization: While we cannot identify specific organizations, we are currently researching local organizations that are a cohesive fit for partnership as part of our Community Benefits and Investments Plan. Financial contributions are prioritized for organizations whose goals and core values align with those of Santee's elemental goals in their General Plan, which include the following: (1) Land Use – Promote development of a well-balanced and functional mix of residential, commercial, industrial, open space, recreation, and civic uses that will create and maintain a high quality environment.; (2) Housing – Ensure that decent, safe housing is available at a cost that is affordable to all current and future residents of this community; (3) Mobility – Provide a balanced, interconnected multimodal transportation network that allows for the efficient and safe movement of all people and goods, and that supports the current and future needs of Santee community members and travel; (4) Recreation – Develop a system of public parks and recreational facilities which serve the citizens of Santee; (5) Trails – Encourage alternative means of transportation on a community and regional scale by providing a comprehensive network





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of bicycle, equestrian, and pedestrian trails which serve present and future needs of our community, and which preserve and/or enhance the community character and the environment; (6) Conservation – Conserve open space, natural and cultural resources; (7) Noise – Improve the city's overall quality of life by reducing harmful and annoying noise for existing and future residents; (8) Safety – Minimize injuries, loss of life, and property damages resulting from natural and human-induced safety hazards; and (9) Environmental Justice (part of Safety Element) – Reduce pollution exposure, improve access to public facilities, promote food access, promote safe and sanitary housing, promote physical activity, promote civic engagement, prioritize improvements and programs to address the needs of disadvantaged communities; and (10) Community Enhancement – Respect and integrate the natural and man-made environments of Santee to enhance the quality of life, revitalize older neighborhoods and community places, and sustain a beautiful, distinctive and well organized community for our citizens. Despite being unable to name specific organizations in our Community Benefits and Investments plan, we have identified types of organizations that we are prioritizing for our philanthropic contributions. This includes, but is not limited to, the following: (i) Organizations that advocate for affordable housing and fight homelessness to address the General Plan's Housing Element; (ii) Organizations that contribute to better environmental, public health, food security and overall wellness outcomes in Santee to address the General Plan's Environmental Justice Element; and (iii) Organizations that preserve Santee's unique character and culture and contribute to sustainable growth in the city to address the General Plan's Community Enhancement Element.

Chamber of Commerce Membership: Our proposed operations in Santee will garner various benefits for the local community including to local non-profits and community, civic or social-service-based organizations. Owners Chris and Martin Salem are existing members of the Santee Chamber of Commerce based on their existing status as Santee business owners in operating the gas station, carwash and convenience store at 8617 Cuyamaca St. Chris and Martin have made contributions to and participated in events held by the Chamber over the last few years, such as participation in the Veteran Appreciation Golf Tournament and regular attendance of the Santee Chamber Morning Buzz networking events. Chris and Martin have used their membership to confer with local stakeholders and determine exactly what goals the City is most expeditiously pursuing and how they can help achieve these goals rather than making superfluous donations of funds and volunteer hours that do not meet specific City needs. Chris and Martin are pursuing a separate membership for Flyte given the nature of Flyte's business operations and to ensure the involvement of Ramiz and Mazin in these community engagement efforts. Flyte's collaboration with the Chamber of Commerce is an ongoing feature of our Community Benefits and Investments Plan, ensuring our ability to make an actionable change and improve the quality of life throughout the City.

Staff Volunteer Hours: In addition to direct aid to local Santee organizations and events, Flyte understands the value of public service and works by direct participation as a way to connect to the communities we serve on an intimate level. We offer up to **40 paid volunteer hours annually** for each of our employees. **At full capacity of 20 employees, this results in up to 800 volunteer hours contributed by staff on an annual basis.** Employees are compensated at their respective rates for all paid volunteer hours. This equates to one full work week allocated to community service on an annual basis and thoroughly exemplifies our commitment to the City of Santee. Staff and Managers work with the local Chamber of Commerce and the City Council to determine local non-profits and community associations that will be the beneficiaries of our employee volunteering efforts.

City Manager Meetings: Our Coordination Meetings with the City Manager and any interested parties or members of the community will exceed the minimum requirements of SMC 7.04.460(B). These meetings give us an opportunity to discuss costs, benefits and other community issues that may arise as a result of our operations. We view this as an opportunity to connect with the local government and our community, gain critical feedback about our operations, create an avenue to improving our operations and establish a level of overall transparency with our surrounding community. We go into each of these meetings with a list of strategic points and questions that will help us gather the most accurate information possible that can be incorporated into future changes in our operating procedures. Community Relations Officer Martin Salem and Chief Strategy Officer Chris Salem will lead these meetings due to their experience in the community, but all members of



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ownership will be present. We are confident in our ability to work with local community members, business owners, and government officials to make tangible changes in Santee. These meetings help us truly understand the community's needs and its perception of our commercial cannabis business.

Cross Promotion With The Salem Brothers' Other Businesses: One of the primary goals outlined in our Community Benefits and Investments Plan is to keep commercial activity within Santee and attract commerce from other areas. We feel that our proposed location is on Santee's southern border in close proximity to El Cajon and right across the street from our Owners' existing businesses provides various opportunities to accomplish this goal through cross promotion between both businesses. We plan to offer discounted products and services at both Flyte and at the gas station, car wash and convenience store across the street to entice residents of neighboring communities to shop in Santee. For example, a purchase of \$50 or more at Flyte may earn a customer a free car wash across the street. Inversely, the purchase of 80\$ or more of gas from the Salem Brothers' gas station may earn 25% off of their order at Flyte. These cross promotions and associated advertisements will only be offered to individuals over the age of 21 in accordance with our youth protection measures, as we understand that youth may be present at the gas station or car wash. Our hope is that we can draw traffic from residents and El Cajon and other communities who will spend their money in Santee through these cross promotional incentives, which further concentrates revenue and other fiscal benefits in Santee.

Community Events: In addition to donations of funds and volunteer hours to local organizations, our Community Benefits and Investment Plan features Flyte-hosted events that provide education about cannabis, facilitate equity and safe-access in the cannabis industry and community overall, and help fellow business owners and organizations understand our commitment to the City's viability. These community-oriented events include, but are not limited to:

Educational Events: We will regularly host educational workshops covering a wide range of subjects, such as our product lineup, the various production methods for cannabis goods, health education regarding responsible consumption, public safety education about crime prevention in surrounding neighborhoods, and more, seamlessly blending general education with information about our tailored approach to community engagement. We may choose to collaborate with local businesses in the health and wellness space or closely aligned industries to infuse alternate perspectives into the events.

F.2. MINIMUM WAGE

Flyte is dedicated to offering wages exceeding local minimum wage requirements and ensuring an immediate and positive economic impact within Santee. Financial empowerment stands at the core of our labor and employment practices across all our cannabis stores, underscoring our commitment to the community's prosperity. We currently pay all employees' wages over 200% of the Federal Poverty Level and consistently exceed local minimum wage rates, a commitment we are extending to our operations in Santee. According to the 2024 Poverty Guidelines provided by the US Department of Health and Human Services, the Federal Poverty level for a family of two is \$20,440, making 200% of the Federal Poverty Level equivalent to \$40,880. **Flyte compensates hourly employees at or above \$21.50/hr (\$44,870.5 for 2,087 hours worked annually)** to exceed compensation of over 200% of the Federal Poverty Level. Flyte's compensation plan meets these guidelines to economically empower our staff. Front-end staff, including Cannabis Consultants, receive this base wage, gratuities, and other allocations that bring hourly compensation above the living wage. Salaries are set within a range corresponding to specific jobs based on competency and performance, but all salaries exceed minimum wage rates. We compensate all salaried employees at a minimum of \$61,401.60, which is the living wage in San Diego County. Beyond base compensation, current employees are provided a range of comprehensive benefit plans that allow them and their families to create benefit packages that meet their specific needs. Hourly employees earn up to \$500 monthly based on sales performance, while salaried employees earn \$10,000-15,000 in performance-based bonuses annually. We make these same offerings to all employees at all our locations and adjust any plans to make sure our team's needs are met.

Promoting From Within - Management Opportunities and Wage Increases: Flyte is deeply committed to our employees and believes all staff should be provided opportunities for advancement within our company. These opportunities not only bolster our employees' overall career trajectories but also allow them heightened pay well beyond the standard of living wage. Ramiz and Mazin have been involved in the decision making process to promote various employees to higher-ranking positions at Off the Charts since the commencement of operations at locations in Vista, San Francisco and Ohio and understand the performance evaluation process required in order to enact these promotions. Not only do we seek to promote



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internally, but we also have specific diversity goals in hiring and promotion for all management-level positions. All staff members are considered for raises and promotions during yearly reviews based on performance, competency, training, continued education, and employment tenure. Raises and promotions awarded to staff with anniversary dates that fall before yearly reviews receive back pay. Staff that have worked in their current position/pay rate for at least six months during performance reviews qualify for a performance-based promotion or raise. Flyte's owners have had a voluntary attrition of less than fifteen percent (15%) across their various business, which we believe results from a commitment to competitive wages, ongoing training and development, and career advancement opportunities for all employees.

F.3. LOCAL OUTREACH

Flyte is committed to local hiring in Santee to consolidate job opportunities in the City. Local hiring efforts are executed to improve economic outcomes for members of disenfranchised and targeted communities. Our primary goals concerning local outreach are to work with local employment agencies, host outreach and hiring events, sponsor training for local equity individuals, focus on local hiring and internally promoting, and maintain beneficial relations with employees. Other actions intended to benefit the local workforce include, but are not limited to, the Training and Development Program outlined in **SECTION C: SECURITY PLAN** and the comprehensive employee benefits packages outlined in **SECTION B: LABOR AND EMPLOYMENT PLAN**. Below is a summary of our plans for local outreach to develop a staff of skilled workers that truly reflect Santee's demographic composition and values.

Providing Opportunities for Diversified and High-Paying Jobs for Santee Residents: Local hiring is imperative to Flyte's overall goals as a Santee-focused business. Our owners have vast experience working within the City of Santee to source qualified candidates from different walks of life, and we are applying their prior local experience to bolster Santee's local economy through job creation for our proposed cannabis retail facility. Our owners' commitment to local hiring has also been demonstrated through their cannabis retail ventures, such as at Off The Chart's Vista location where CEO Ramiz Naoum and COO Mazin Stephan worked hard to ensure that 90% of the staff are local residents. Given that our location is on the City's southern border, and in close proximity to the MTE trolley, we anticipate a percentage of our applicant pool to be from El Cajon and surrounding areas; by focusing our outreach in downtown Santee, we hope to increase the total percentage of Santee applicants while maintaining a fair and equitable hiring process for all qualified individuals. To that end, **Flyte upholds its commitment to local hiring by striving to maintain no less than 75% of payroll hours performed by individuals whose primary residence is in Santee.** We seek out team members from non-traditional sources to ensure employees continue to diversify our retail locations.

Utilizing Existing Staff in Santee and Surrounding Areas: Chris and Martin Salem employ roughly 100 individuals all over San Diego County, roughly 10% of which work at the gas station, carwash and convenience store located at 8617 Cuyamaca St in Santee. Many of these employees have gained the necessary skillsets required for commercial cannabis operations through their work at these facilities, particularly at their convenience stores where they are required to verify age and identification for alcohol and tobacco sales, conduct inventory management, and many other similar day-to-day tasks. These employees are well-versed in enhanced occupational health and safety requirements of a gas station and know how to conduct their daily directives in a way that prevents injury and illness. Ramiz and Mazin also have an extensive network of prospective employees from their liquor and convenience stores throughout the Greater San Diego Area who have similar skillsets in age and identification verification, diversion prevention and other abilities likened to those required in commercial cannabis operations. To ensure consistent and adequate staffing and achieve local hiring goals, our Owners will utilize their staffing relationships at their existing facilities and look to transition any of their qualified staff members to applicable roles at Flyte's proposed cannabis business, with an emphasis on Santee residents.

Outreach Strategies: We are working with local community organizations, employment agencies and other non-profits that offer employment services to execute our local hiring initiative and source qualified Santee residents. We also work with cannabis-specific employment agencies such as Vangst, FlowerHire, Grassdoor, Careers in Cannabis, and Talent Acquisition Specialists to ensure we source qualified individuals with cannabis experience. Beyond these efforts, we feature job listings at local community centers, community colleges, vocational schools, local publications, and other locations that Santee residents frequent. We advertise open positions on Indeed, Glassdoor, ZipRecruiter, Monster, Hired and other websites and job databases that have gained popularity in recent years. We participate in local hiring events and City-organized job fairs to interface directly with our candidates in addition to traditional sources of local candidates. Finally,



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our Community Liaisons will mobilize their network of local residents, professionals and other individuals to provide us with an even larger pool of candidates both with experience in the industry and similar core values, beliefs and attitudes about cannabis. Job postings are made public for a minimum of 30 days, and posts only include qualifications and skills necessary for the job using inclusive, unbiased, ungendered language. Eligible candidates are driven to learn about cannabis and committed to providing the highest level of customer service. All postings issued by Flyte highlight diversity and encourage everyone, regardless of race, color, religion, national origin, ancestry, sex, disability or age, to apply for employment. Flyte adopts and builds upon targeted hiring methods to institute inclusive hiring practices that seek qualified employees from and advertise positions to veterans, seniors, women, and disproportionately impacted communities. Through specifically targeted relationships with local vendors and service providers, retail cannabis training programs for residents, and equal opportunity initiatives, Flyte is vigilant and confident in its ability to attract local hires and achieve our local hiring objectives for Santee.

F.4. DIRECT FEES TO THE CITY

Our Community Benefits and Investment Plans includes *a Direct Fee to City of Santee in the amount of 6% of gross receipts*, which exceeds the imposed requirement by 1%. The Direct Fee to the City allows City Officials to exert control over the community benefits that stem from our operations and how these funds are allocated. Our hope is that this Direct Fee provides the City of Santee with additional revenue toward building the General Fund, spending towards General Fund-designated initiatives, or any other financial allocation that the City deems appropriate. Our expectation is that between the 1% of Gross Receipts to Community Benefits Investments and 6% Direct Fee to the City we will contribute upwards of \$2.8M to the Santee community within our first 3 years of operating. Our overall commitment to the City of Santee is unwavering and we look forward to our business's ability to contribute to the improvement of a community which we intend to make our home.



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SECTION G: PROPOSED SITE PLAN

G.1. EXISTING SITE

G.1.A. PHYSICAL ADDRESS

Flyte's proposed location includes two parcels with two different addresses and is located in the southcentral corridor of Santee. The physical address of the proposed retail storefront is in an existing shopping center located at 9805 Prospect Ave Santee, CA 90271 (APN 384-190-74). We are also proposing an adjacent parking facility with native landscaping, exterior lighting and other aesthetic features located at 8547 Cuyamaca St Santee, CA 92071 (384-190-44).

G.1.B. NARRATIVE DESCRIPTION OF EXISTING SITE

The proposed location is located in a small shopping center on the corner of Prospect Ave and Cuyamaca St., the shopping center, along with an adjacent unpaved parking lot south of the parcel is owned and managed by Flyte owners Chris and Martin Salem. Prospect Avenue runs from east to west in a commercial district lined with maintained sidewalks on both sides of the street, attractive street lanterns, a bike path on each side of the road and a protected turn lane. Cuyamaca St is a four-lane main thoroughfare that runs north and south and directly through downtown Santee with the MTS Greenline Trolley running down the center of the street. Traffic signals with left hand turn lanes and signals are situated on the corner of Prospect Ave and Cuyamaca St where the proposed site is located. The location is easily accessible from Highway 52; those traveling West on Hwy 52 can take exit 17, turn right onto Cuyamaca Street and then make a U-turn at the signal to head south on Cuyamaca, make another U turn at Friendship Dr. and then enter the shopping center on the right-hand side. Those traveling East on Hwy 52 take Exit 14, turn left onto Mission Gorge Road, right onto Fanita Drive and then left onto Prospect Ave. arriving at the Prospect Ave premises parking entrance in approximately one mile. The immediate surrounding area is comprised of a gas station across the street on Prospect Ave, an urgent care facility across the street from Cuyamaca St, an empty lot catty corner to the premises, the Gillespie Field Airport directly behind the premises and the adjacent parcel next to the shopping center on Prospect Ave is an undisclosed building zoned for general industrial use. The Gillespie Field MTE trolley station for the green and orange lines is an eight (8) minute walk from the premises. The Mission Gorge Rd & Tamberly Way Bus stop #40957 for line 833 eastbound is approximately a .9 mile, 18 minute walk from the premises and the Mission Gorge Rd & 10152 bus stop# 40987 for line 833 and 832 westbound is also a .9 mile, 18 minute walk from the premises. Given the proximity to our location from nearby commercial buildings, shopping centers and the Gillespie Field station, we anticipate above average foot traffic.

G.1.C. PHOTOGRAPHS OF EXISTING SITE





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G.1.D. CURRENT USE OF THE SITE

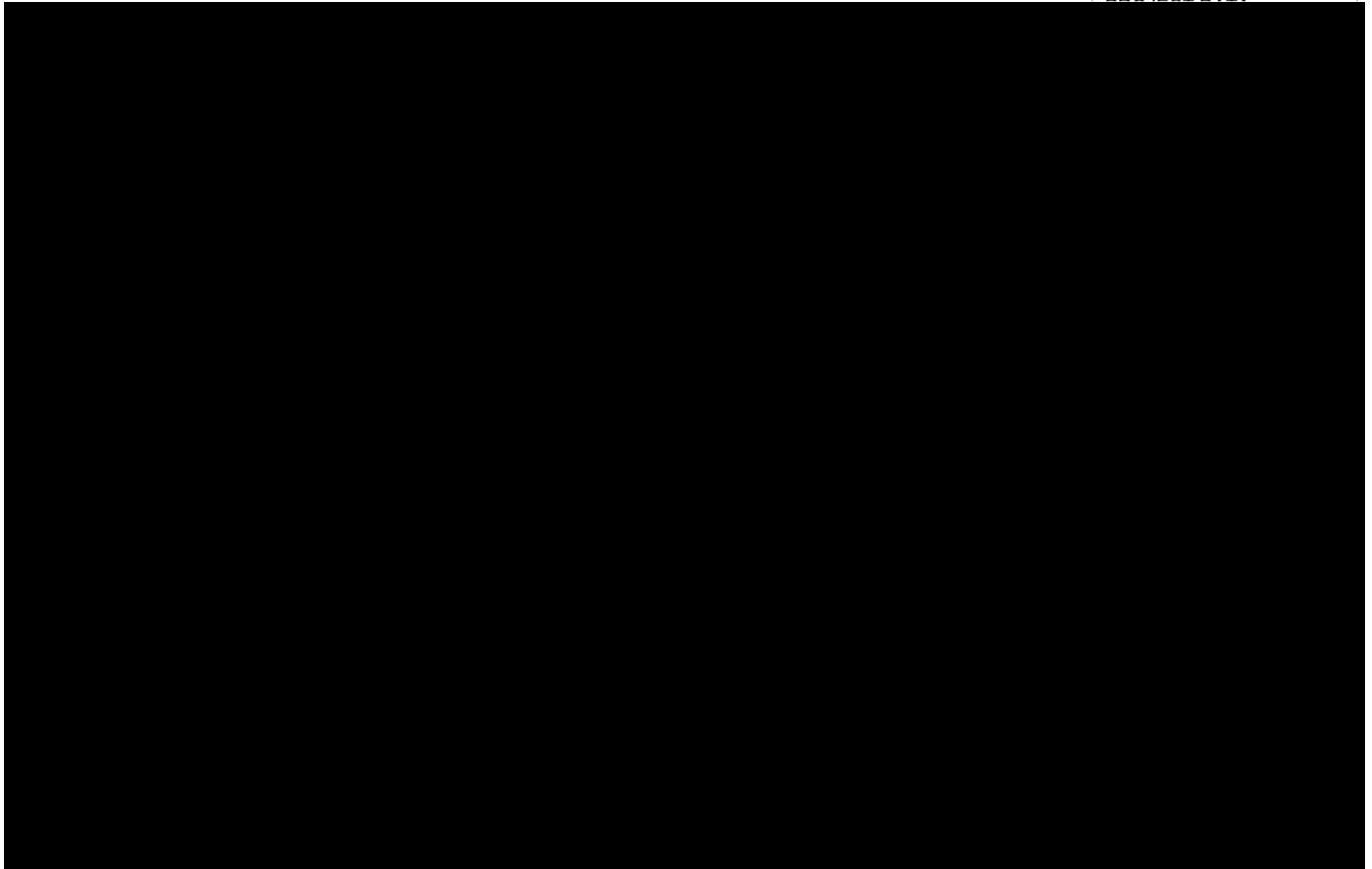
The exiting site is currently occupied by Havana Cigars cigar shop.

G.1.E. BUSINESSES OPERATING ON THE PARCEL & ADJACENT PARCELS

Our proposed location is in a small shopping center and is co-located with various other operational businesses including: 7-Eleven; Hilberto's Mexican Food; HD Barber Shop; and Masheine martial arts school. The Gillespie Field Airport is directly behind the premises' proposed parking lot and an undisclosed building zoned for general industrial use is adjacent to the premises on the east side of shopping center on Prospect Ave. Chris and Martin Salem own and operate the 76 Gas Station, Soapy Joes Carwash and convenience store across the street at 8617 Cuyamaca St. The Southern parcel located at 8547 Cuyamaca St is currently vacant, raw land,

G.2. PROPOSED SITE

G.2.A. SITE PLAN



G.2.B. DESCRIPTION OF PROPOSED SITE IMPROVEMENTS

Our proposed site improvements are focused on creating a complimentary extension to a developing commercial district in southcentral Santee. Because Chris and Martin Salem own the shopping center and adjacent undeveloped parking lot on the southern end of the parcel, we are in a unique position to not only improve the premises but the entire property of our proposed site. We plan to upgrade the entire shopping center with an updated façade that includes a dark grey brick base, stucco facing, new windows and updated signage. Flyte's portion of L-shaped shopping center will be outfitted with a light grey stucco façade on the Northern face of the building that features the main entrance and wraps around to cover a portion of the Western wall; the remaining portion of the Western wall will feature eclectic wooden panels and an additional black and green Flyte halo-style, illuminated brace running the entire perimeter of the roof that provides aesthetic appeal and



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exterior lighting for security purposes. The brace will be centered with Flyte's airplane logo as an homage to the nearby airport and to the elevated experience that customers are provided at our store. The Southern facing wall features a mural that harkens to both the proposed location in close proximity to Santee's Gillespie Center airport and the namesake of the proposed business, Flyte. We chose this location for the mural as the property is situated at the Southern gateway of Santee and is one of the first things travelers will see when entering Santee from El Cajon to South. The Salem Brothers also own the parcel just South of the proposed location (384-190-44) and plan to convert this vacant lot into 28 parking spaces that are lined with drought-tolerant native landscaping, mature Jacaranda and Palm trees and contemporary hardscaping. We will also integrate natural elements throughout the shopping center's shared exterior with landscaping bays and planters for a cohesive site design and clean aesthetic that immediately increases curb appeal and creates a welcoming upgrade to the neighborhood. The Salem Brothers' property across the street at 8617 Cuyamaca St used to be a blighted lot that many Santee residents and officials viewed as an eyesore, and they were able to completely rehabilitate that lot into a modern, efficient, high functioning business complex that provides gas and car washes for upwards of 700 vehicles per day. While the complex at 9805 Prospect Ave that contains the proposed location for Flyte is in much better condition than when they began their work across the street, the Salem Brothers are still dedicated to upholding the same standards in design and substantially improving this property that is situated at the Southern gateway of Santee.

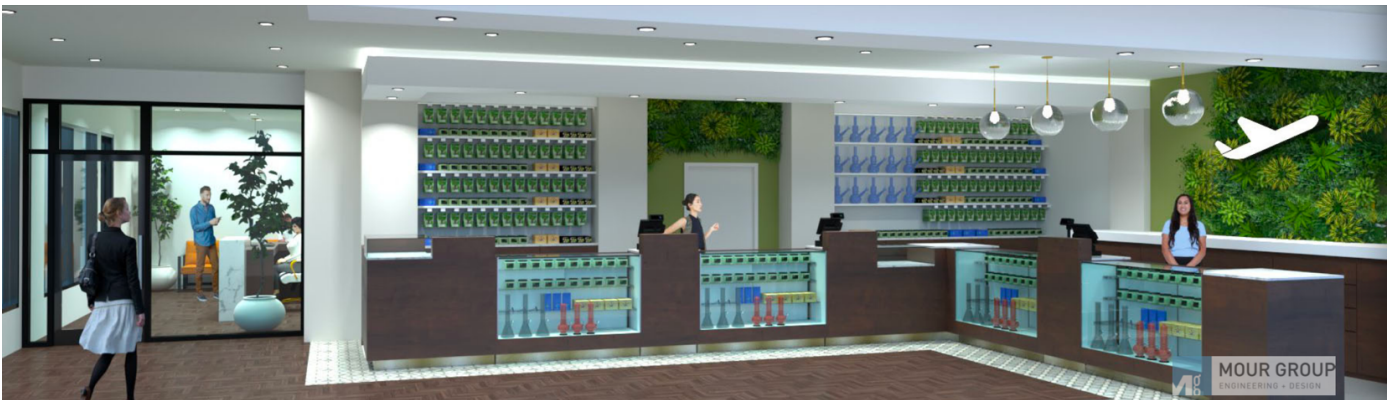
G.2.C. DEPICTIONS OF THE PROPOSED SITE





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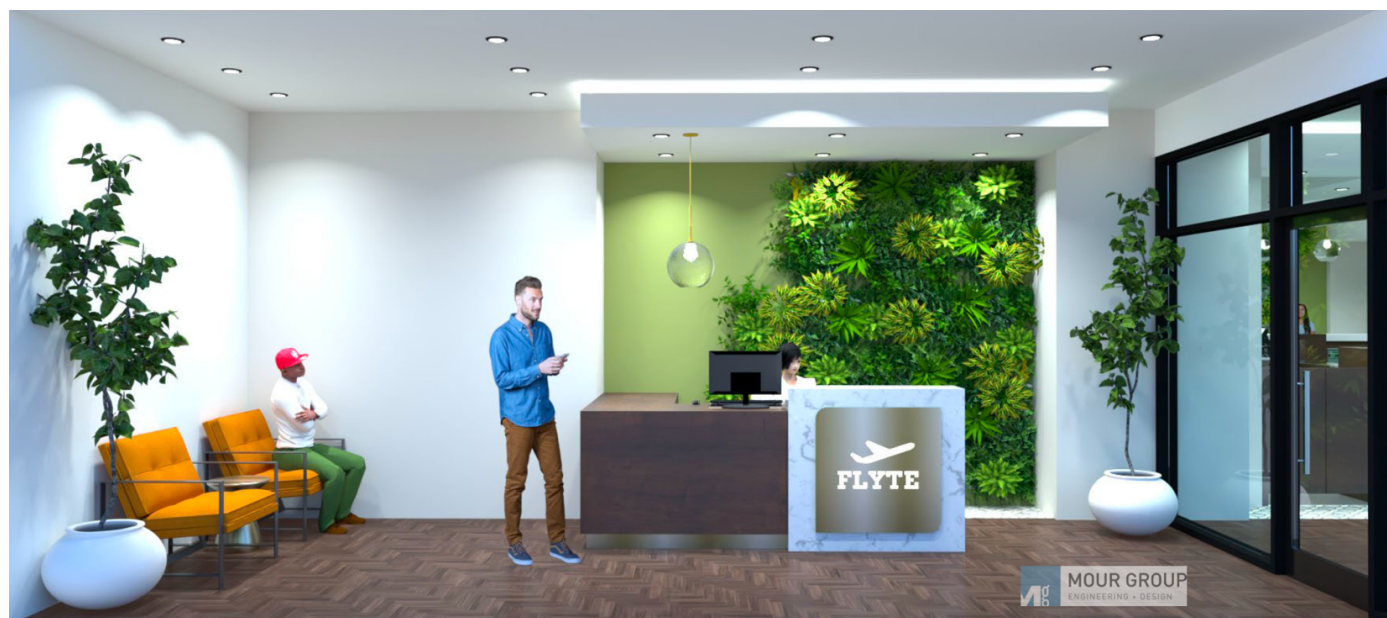


SECTION G: PROPOSED SITE PLAN



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G.3. IMPACTS ON THE SURROUNDING AREA

The proposed establishment and operation of Flyte's cannabis retail facility will significantly enhance the public health, safety, welfare, environmental quality, and overall quality of life in the surrounding area. With over 50 years of collective experience in commercial cannabis operations and ancillary highly regulated industries, including real estate development, petroleum, and retail alcohol and tobacco sales, Flyte's leadership team brings a wealth of knowledge and a proven track record of positive community impact. Chief Executive Officer Ramiz Naoum and Chief Operating Officer Mazin Stephan, through their involvement with Off The Charts, have demonstrated substantial economic contributions and community engagement in California, notably achieving over \$20 million in annual revenue and processing an average of 1,000 transactions per day in Vista, CA. The Salem Brothers, Chris and Martin, have worked extensively within Santee's



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commercial real estate sector, preparing them to navigate the unique challenges of integrating a cannabis business into the community. Their collaborative approach, deeply rooted in understanding local needs and regulatory landscapes, has consistently led to noticeable improvements in the areas they operate. Below is a brief summary of how our operations in Santee will positively impact the surrounding area:

Public Health: The utilization of our site for cannabis retail will improve public health for the surrounding community and Santee overall. Our Community Benefits and Investment Plan features our commitment to partner with local organizations that strive to improve public health outcomes in Santee, and we will see that our donations and additional contributions will provide them with the necessary resources to achieve desired public health outcomes. We will also be contributing directly to the community's public health through education and transparency. The educational materials included in our Consumer Education Plan help instill invaluable knowledge in our customer base and provide them all of the necessary tools and resources to make informed decisions about cannabis, which in turn mitigates serious adverse events relating to cannabis sourced from our facility. We strive to provide the best quality cannabis products on the market and are confident that our Medical Patients and Adult Use customers alike will experience relief from various ailments when they purchase and consume these products from our store. Our Community Benefits and Investments Plan will also feature donations and collaboration with local organizations who focus on food security, access to healthcare services, homelessness and other civic areas that factor into overall public health and wellness.

Safety: A growing body of research suggests that public safety outcomes improve drastically in areas where legal cannabis retailers are located compared to before they began operations in a given community. Our owners have experienced similar improvements in public safety with the Salem Brother's local Santee commercial businesses as well as Ramiz and Mazin's oversight of Off The Charts' Vista location. Our facility will feature Security Personnel from Armortech Security, the installation and advanced capabilities of our surveillance, alarm and monitoring systems from Bay Alarm Company, facility design that incorporates operational security and concentric circles of protection, and best-in-class standard operating procedures. We also emphasize occupational health and safety for our employees to prevent injury and illness and to put them in the best possible position to succeed. These elements of our Labor and Employment and Security Plans combine with the vigilance of our operations to facilitate heightened public safety for all customers and community members in the surrounding area.

Welfare: The proposed development and utilization of the vacant lot for cannabis retail activity will promote public welfare in the form of economic growth, labor force expansion and the enhancement of civic capabilities. Our proposed operations will result in 17 new positions available and \$927,149 in payroll upon initial opening and 20 positions and \$1,044,797 in payroll at full capacity, which will substantially improve the socioeconomic status and purchasing power of Santee community members employed by Flyte. We plan to source all vendors and contractors for site construction and development locally, which bolsters Santee's economy by keeping revenue within the City of Santee rather than looking to large corporations who provide services all over the country. We also anticipate nearly \$2.8 Million in financial contributions being allocated to the city over our first three years of operations based on 6% Direct Fee to the City in addition to 1% of gross receipts to local organizations, which will be redistributed to the community in the form of more public resources and improvement of existing government, private and non-profit programs thus promoting welfare for all Santee residents.

Environmental Quality: A healthy, safe environment is one where community members have consistent access to fresh food, are provided with ample opportunity for physical activity and are insulated from the devastating impacts of climate change by intelligent choices involving the use of community resources. Sustainability and environmental conservation are significant components of Flyte's overall core values, and this is exemplified by our facility design, our community engagement efforts, and our day-to-day business practices. Water conservation through drought tolerant landscaping and low-drip irrigation, energy efficient lighting fixtures in the facility and parking lot, and incentives for public transportation are just some of these business practices that are incorporated to promote environmental quality and sustainability. The Salem Brothers will also play a significant role in tenant improvements and overall facility design that enhances the environment in this developing business corridor that serves as the southern gateway of Santee.



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Quality of Life: Quality of life is a universal measurement of an individual's fulfillment and ability to function in an organized society. Various political, social, and economic factors contribute to an individual's quality of life, spanning from their disposable income to their health outcomes and everything in between. The socioeconomic and environmental implications of the commitments outlined above and throughout this application all lead to improved quality of life whether it be in the form of job security for employees, aesthetic improvements in our neighborhood, improved climate change outcomes that provide a better future for Santee, and convenient access to cannabis products that provide wide-ranging health benefits to our customers and everything in between. Owners Chris and Martin Salem have already contributed immeasurably to the quality of life in Santee and the Greater San Diego Area, while Mazin and Ramiz have had a profound impact on the city of Vista, its residents and the overall community. Flyte's ownership team looks forward to building upon their successes in Santee and throughout San Diego County to accomplish our own organizational quality of life goals while elevating the quality of life throughout Santee.



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2. FINANCIAL RESPONSIBILITY, INDEMNITY AND CONSENT TO INSPECTION AGREEMENT

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: September 27, 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

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

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".

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

Applicant(s)/Owner(s):

Christopher Lalen
Printed Name

Martin Lalen
Printed Name

Printed Name

Printed Name

Printed Name


Signature


Signature

Signature

Signature

Signature

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 17, 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

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

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".


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

Applicant(s)/Owner(s):

RAMIE NADUM
Printed Name


Signature

Mazin Stephan
Printed Name


Signature

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature



FLYTE

SANTEE, CALIFORNIA



2. AGREEMENT ON LIMITATIONS OF CITY'S LIABILITY AND INDEMNIFICATION TO CITY

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

(Must be completed by all 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

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

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

RAMIZ NAOUM / OWNER, CEO
Printed Name and Title

9805 PROSPECT, LLC
Name of Business Entity

9805 PROSPECT AVE, SANTEE, CA 92071
Address of Permitted Location

10/4/24
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 San Diego

Subscribed and sworn to (or affirmed) before me on this 04 day of October, 2024, by RAMIZ NAOUM, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature 

(Seal)



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

CALIFORNIA JURAT CERTIFICATE

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 San Diego

Subscribed and sworn to (or affirmed) before me on this 04 day of October,
2024, by RAMIZ NAOUM

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

WITNESS MY HAND AND OFFICIAL SEAL.


Signature of Notary Public



(Notary Seal)

OPTIONAL INFORMATION

The jurat contained within this document is in accordance with California law. Any affidavit subscribed and sworn to before a notary shall use the preceding wording or substantially similar wording pursuant to Civil Code sections 1189 and 8202. A jurat certificate cannot be affixed to a document sent by mail or otherwise delivered to a notary public, including electronic means, whereby the signer did not personally appear before the notary public, even if the signer is known by the notary public. The seal and signature cannot be affixed to a document without the correct notarial wording. As an additional option an affiant can produce an affidavit on the same document as the notarial certificate wording to eliminate the use of additional documentation.

DESCRIPTION OF ATTACHED DOCUMENT

Agreement on limitations of City's
liability, and certifications, assurances,
warranties, (Title of document) and indemnification
to City

Number of Pages 4 (Including jurat)

Document Date 10/04/2024

(Additional Information)

CAPACITY CLAIMED BY THE SIGNER

☐ Individual
☐ Corporate Officer
☐ Partner
☐ Attorney-In-Fact
☐ Trustee
☐ Other: _____

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

(Must be completed by all 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

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

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

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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

Mazin Stephan / Owner, COO
Printed Name and Title

9805 Prospect, LLC
Name of Business Entity

9805 Prospect Ave. Santee, CA 92071
Address of Permitted Location

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 San Diego

Subscribed and sworn to (or affirmed) before me on this 04 day of October, 2024, by Mazin Stephan, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature 

(Seal)



CALIFORNIA JURAT CERTIFICATE

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 San Diego

Subscribed and sworn to (or affirmed) before me on this 04 day of October,
2024, by Mazin Stephan

proved to me on the basis of satisfactory evidence to be the person ☒ who appeared before me.

WITNESS MY HAND AND OFFICIAL SEAL.

Signature of Notary Public



(Notary Seal)

OPTIONAL INFORMATION

The jurat contained within this document is in accordance with California law. Any affidavit subscribed and sworn to before a notary shall use the preceding wording or substantially similar wording pursuant to Civil Code sections 1189 and 8202. A jurat certificate cannot be affixed to a document sent by mail or otherwise delivered to a notary public, including electronic means, whereby the signer did not personally appear before the notary public, even if the signer is known by the notary public. The seal and signature cannot be affixed to a document without the correct notarial wording. As an additional option an affiant can produce an affidavit on the same document as the notarial certificate wording to eliminate the use of additional documentation.

DESCRIPTION OF ATTACHED DOCUMENT

Agreement on Limitations of City's liability, and certifications, assurances, warranties, (Title of document) and indemnification to city

Number of Pages 4 (Including jurat)

Document Date 10/04/2024

(Additional Information)

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual
☐ Corporate Officer
☐ Partner
☐ Attorney-In-Fact
☐ Trustee
☐ Other: _____

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

(Must be completed by all 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.

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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

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

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.

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

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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

Christopher Salem, owner

Printed Name and Title

9805 Prospect, LLC DBA: Flyte

Name of Business Entity


8847 Cuyamaca St
9805 Prospect Ave Santee, CA 92071

Address of Permitted Location

10/14/24

Date

**SEE ATTACHED
CALIFORNIA JURAT**



Applicant Signature

Martin Salem, owner

Printed Name and Title

9805 Prospect, LLC DBA: Flyte

Name of Business Entity

8847 Cuyamaca St
9805 Prospect Ave Santee, CA 92071

Address of Permitted Location

10/14/24

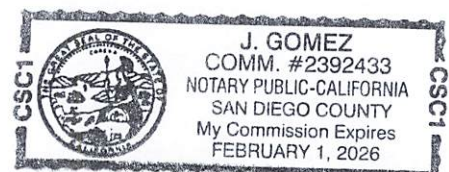
Date

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 San Diego

Subscribed and sworn to (or affirmed) before me on this 14th day of October, 2024, by Christopher Salem, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature _____ (Seal)



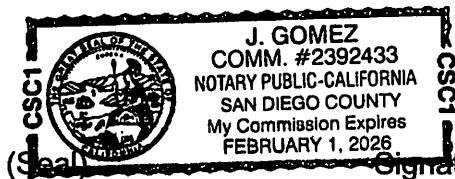
Agreement of Limitations of City's Liability, and Certifications, Assurances, Warranties, and Indemnification to City

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 SAN DIEGO

Subscribed and sworn to (or affirmed) before me on this 15th
day of October, 2024, by Martha Salen

proved to me on the basis of satisfactory evidence to be the
person(s) who appeared before me.



Signature

A large, stylized handwritten signature in black ink, written over a horizontal line.



FLYTE

SANTEE, CALIFORNIA



**5. PROPERTY OWNER
CONSENT/LANDLORD
AFFIDAVIT**



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.

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

8547 Cuyamaca St
9805 Prospect Ave Santee CA 92071
Street City State Zip
384-190-74-00 ? 384-190-44-00
Accession 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:

☒ 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.

☒ I acknowledge that the proposed commercial cannabis business 9805 Prospect, 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:

- ☐ Retail (Storefront)
☒ Retail (Storefront with Deliver)
☐ Microbusiness (with Retail)

☒ I agree to comply with all applicable City Ordinances and State Laws.

SIGNATURE OF PROPERTY OWNER(S):

Christopher Salem

PRINTED NAME OF PROPERTY OWNER(S)

Martin Salem

PRINTED NAME OF PROPERTY OWNER(S)

SEE ATTACHED
CALIFORNIA JURAT

SIGNATURE 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 14th day of October, 20 24, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me Christopher Salem.

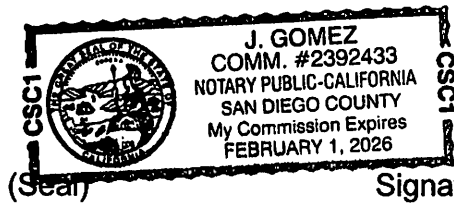
***NOTARIZATION REQUIRED.** This authorization form will **not** be valid without notarization. The authorization contained in this form automatically expires upon sale or transfer of title to the Property. If sale or transfer of the Property occurs prior to obtaining a business license, the applicant 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.

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 SAN DIEGO

Subscribed and sworn to (or affirmed) before me on this 15th
day of October, 2024, by Martin Salen

proved to me on the basis of satisfactory evidence to be the
person(~~s~~) who appeared before me.



Signature

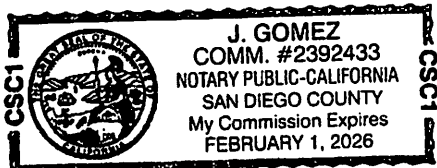
A large, stylized handwritten signature in black ink, which appears to be "Martin Salen", is written over a horizontal line. The signature is written in a cursive style with a large loop at the end.

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 SAN DIEGO

Subscribed and sworn to (or affirmed) before me on this 14th
day of October, 2024, by Christopher Salem

proved to me on the basis of satisfactory evidence to be the
person(s) who appeared before me.



(Seal)

Signature

A large, stylized handwritten signature in black ink, written over a horizontal line. The signature appears to be "Christopher Salem".



FLYTE

SANTEE, CALIFORNIA



**6. PROOF OF
INSURANCE/LETTER OF
INSURABILITY**

Ideal Choice

Insurance Agency, Inc.

1237 Palm Avenue ✧ Imperial Beach, CA 91932 ✧ DOI#:OE67755 ✧ Phone:619-423-7172 ✧ Fax:619-374-2319

Monday, September 30, 2024

City of Santee
Attn: City Manager
10601 Magnolia Ave.
Santee, CA 92071

Re: § 7.04.300 - Limitations on City's liability; Insurance Coverage for 9805 Prospect LLC DBA Flyte

To whom it may concern, please be advised, Ideal Choice Insurance Agency, Inc. stands ready and able to provide the commercial general and automobile liability to Flyte as required in CHAPTER 7.04 CANNABIS BUSINESSES for the property located at 9805 Prospect Ave in the city of Santee.

If you have any questions or concerns, please feel free to contact me at 619-423-7172 or by email at marcus@idealchoiceinsurance.com.

At your service,

Marcus Boyd
Insurance Broker & Notary Public

www.IdealChoiceInsurance.com

Business ✎ Bond ✎ Home ✎ Auto ✎ Mexico



FLYTE

SANTEE, CALIFORNIA



7. PROOF OF CAPITALIZATION



September 26, 2024

Christopher Salem
8617 Cuyamaca St, Suite 2
Santee, CA 92071

RE: MyPoint Accounts - Statement of Liquidity

Dear Chris,

Thank you for continuing to trust MyPoint with your banking and financing needs. We appreciate your long term membership with the credit union.

As of today, through various MyPoint accounts, available liquidity is [REDACTED]

Please let me know if you have any questions or if you would like any additional information.

Sincerely,

A handwritten signature in blue ink that reads 'Laura Carpanzano'.

Laura Carpanzano
Director Business Lending
MyPoint Credit Union



FLYTE
SANTEE, CALIFORNIA



**8. PROOF OF ZONING
VERIFICATION LETTER
REQUEST**



FLYTE
SANTEE, CALIFORNIA

9805 Prospect LLC initially submitted Zoning Verification Application ZVL-2024-0017 on 10/7/24. However after further review of the submitted materials, we felt that the initial application did not provide adequate detail to account for the entire scope of the project so we submitted an additional Zoning Verification Application ZVL-2024-0022 on 10/16/24 to fully clarify the scope of the project.

We are planning to use 9805 Propsect Ave (APN 384-190-74) for the proposed location of the retail storefront and we are planning to use the parcel to the south with the address 8547 Cuyamaca St (APN 384-190-44) for an additional parking lot. In reviewing the submission of ZVL-2024-0017, we realized we did not provide the 8547 Cuyamaca St address for the Southern parcel and we felt that the Project Description lacked the necessary detail to explain the scope of the project. To be safe and make sure both parcels/addresses would be considered by the City we submitted the additional Zoning Verification Letter application ZVL-2024-0022.

Our hope is that the City uses the materials included in ZVL-2024-0022 for their review, as we feel that this application includes more detailed information about both parcels/addresses. In this file we have included screenshots of the confirmation pages for both applications as evidence of the submissions.


Apply for Plan - Cannabis Zoning Verification Letter

*REQUIRED



Attachments

Upload all required documents. Copies of the Cannabis Zoning Verification Letter Request Form can be found [here](#).




Cannabis Zoning Verification Letter...

9805 Prospect LLC_Zoning Verification Letter Request...

Size: 189.78 KB

Remove



Evidence of Legal Parcel

9805 Prospect LLC_Evidence of Legal Parcel.pdf

Size: 3.44 MB

Remove

Evidence of Legal Parcel

Add Attachment

Supported: .pdf, .jpg, .png, .jpeg, .doc, .docx, .xlsx

Apply for Plan - Cannabis Zoning Verification Letter

*REQUIRED

- ✓

Type
- ✓

Contacts
- ✓

More Info
- ✓

Attachments
- 5

Signature
- 6

Review and Submit

SIGNATURE

I hereby certify, under penalty of perjury, on behalf of myself (or applicant) 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.

* Please type your name as consent to electronically sign this application.

Enable Type Signature

Ramiz Naoum

Ramiz Naoum

Ramiz Naoum
October, 16 2024

X Ramiz Naoum

Apply for Plan - Cannabis Zoning Verification Letter

*REQUIRED

- ✓

Type
- ✓

Contacts
- ✓

More Info
- ✓

Attachments
- ✓

Signature
- 6

Review and Submit

Submit

Basic Info

Type	Cannabis Zoning Verification Letter
Description	We are submitting this formal application for a Zoning Verification Letter as part of the Commercial Cannabis Application Process for the properties located at 9805 Prospect Ave (APN 384-190-74) and 8547 Cuyamaca St (APN 384-190-44). 9805 Prospect Ave is an existing building that requires minor tenant improvements for modification into a commercial cannabis retailer. We are also proposing an adjacent parking facility on the vacant Southern Parcel located at 8547 Cuyamaca St (384-190-44).
Applied Date	10/16/2024

Contacts

Applicant	Ramiz Naoum 9805 Prospect LLC DBA Flyte 9805 Prospect Ave , Santee, CA , 92071
-----------	--

Estimated Fees

The following is a fee estimate and totals are subject to change. Additional fees may apply.

Fee	Amount
Cannabis Zoning Verification Letter	\$267.00

Total: \$267.00

More Info

No records to display.

Attachments

- Cannabis Zoning Verification Letter Request Form9805 Prospect LLC_Zoning Verification Letter Request Form.pdf
- Evidence of Legal Parcel9805 Prospect LLC_Evidence of Legal Parcel.pdf



Your application was successfully submitted!

Continue to plan

Fees

\$267.00

View Details

Add to Cart

Suggested Applications

Commercial Cannabis Business Permit (Retail Application)

Category Name:
Cannabis Permit

Description:
Request for a Cannabis Business Permit to operate at a commercial location.

Apply



ONLINE SERVICES

PERMITS | PROJECT SUBMITTALS | LICENSES

Ramiz Naoum  1

- [Dashboard](#)
- [Home](#)
- [Service Requests](#)
- [Apply](#)
- [My Work](#)
- [Today's Inspections](#)
- [Map](#)
- [Fee Estimator](#)
- [Pay Invoice](#)
- [Search !\[\]\(25165e2857c0b590dc9543b156feaa79_img.jpg\)](#)

[Back](#)

Shopping Cart

Total \$267.00

[Check Out](#)

Invoice: [INV-00006877](#)

Due Date: 11/15/2024

Description: ZVL-2024-0022

Case Number	Project	Case Address	Amount Due
ZVL-2024-0022			\$267.00

[Remove](#)

[Top | Main Menu](#)

Total \$267.00

[Check Out](#)



Santee, CA
Order Number: 10787
Wednesday, October 16, 2024

Invoice #	Item Description	Quantity	Unit Price	Total Price
INV-00006877	ZVL-2024-0022	1	\$267.00	\$267.00
Item Total:				\$267.00
Convenience Fee:				\$8.01 (credit card) / \$1.87 (e-check)
Order Total:				\$275.01 (credit card) / \$268.87 (e-check)

Payment Details

Choose Payment Method

Cancel



Santee, CA

Order Number: 10787

Wednesday, October 16, 2024

Invoice #	Item Description	Quantity	Unit Price	Total Price
INV-00006877	ZVL-2024-0022	1	\$267.00	\$267.00
Item Total:				\$267.00
Convenience Fee:				\$8.01 (credit card) / \$1.87 (e-check)
Order Total:				\$275.01 (credit card) / \$268.87 (e-check)

Payment Details

Selected payment method:
MasterCard ending in 9653

PayNow - \$275.01

Cancel



Santee, CA
Order Number: 10787
Wednesday, October 16, 2024

Invoice #	Item Description	Quantity	Unit Price	Total Price
INV-00006877	ZVL-2024-0022	1	\$267.00	\$267.00
Item Total:			\$267.00	
Convenience Fee:			\$8.01	
Order Total:				\$275.01

Continue to site



ONLINE SERVICES
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Ramiz Naoum ▾



Dashboard

Home

Service Requests

Apply

My Work

Today's Inspections

Map

Fee Estimator

Pay Invoice

Search

Payment Received!



Apply

Today's Inspections

Fee Estimator

Pay Invoice

Search Q

My Work

MY INVOICES

MY PLANS

Search...	Export to Excel					
Display Pending						
	Project					
Plan Number						
ZVL-2024-0022						
ZVL-2024-0017						

Plan Number: ZVL-2024-0022

Plan Details | Tab Elements | Main Menu

Type: Cannabis Zoning Verification Letter

IVR Number: 3110

District: _Santee

Description: We are submitting this formal application for a Zoning Verification Letter as part of the Commercial Cannabis Application Process for the properties located at 9805 Prospect Ave (APN 384-190-74) and 8547 Cuyamaca St (APN 384-190-44). 9805 Prospect Ave is an existing building that requires minor tenant improvements for modification into a commercial cannabis retailer. We are also proposing an adjacent parking facility on the vacant Southern Parcel located at 8547 Cuyamaca St (384-190-44).

Status: Submitted - Online

Applied Date: 10/16/2024

Assigned To: Lindebrekke, Rachael

Project Name:

Expiration Date:

Completion Date:

- Summary
- Locations
- Fees
- Attachments
- Contacts
- Sub-Records

Progress

0%
Completed

Completed

In Progress

Not Started

Workflow

Available Actions

No Actions

Apply for Plan - Cannabis Zoning Verification Letter

*REQUIRED

- ✓

✓

✓


4

5

6
- TypeContactsMore InfoAttachmentsSignatureReview and Submit


Attachments

Upload all required documents. Copies of the Cannabis Zoning Verification Letter Request Form can be found [here](#).



Cannabis Zoning Verification Letter...
9805 Prospect LLC Zoning Verification Letter Request...
Size: 690.29 KB

Remove



Evidence of Legal Parcel
9805 Prospect LLC Evidence of Legal Parcel.pdf
Size: 3.44 MB

Remove

Evidence of Legal Parce

+

Supported: .pdf, .jpg, .png, .jpeg, .doc, .docx, .xlsx

SIGNATURE

I hereby certify, under penalty of perjury, on behalf of myself (or applicant) 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.

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* Please type your name as consent to electronically sign this application.

Enable Type Signature



Ramiz Naoum

Ramiz Naoum

Ramiz Naoum
October, 07 2024

X *Ramiz Naoum*

 Your application was successfully submitted!

Continue to plan

Fees

\$267.00

View Details

Add to Cart

Suggested Applications

Commercial Cannabis Business Permit (Retail Application)

Category Name:
Cannabis Permit

Description:
Request for a Cannabis Business Permit to operate at a commercial location.

Apply

[Back](#)

Shopping Cart

Total\$267.00

Check Out

Invoice: INV-00006715

Due Date: 11/06/2024

Description: ZVL-2024-0017

Case Number	Project	Case Address	Amount Due
ZVL-2024-0017			\$267.00

\$267.00

Remove

Top | Main Menu

Total\$267.00

Check Out



Santee, CA
Order Number: 10655
Monday, October 7, 2024

Invoice #	Item Description	Quantity	Unit Price	Total Price
INV-00006715	ZVL-2024-0017	1	\$267.00	\$267.00
Item Total:				\$267.00
Convenience Fee:				\$8.01 (credit card) / \$1.87 (e-check)
Order Total:				\$275.01 (credit card) / \$268.87 (e-check)

Payment Details

Selected payment method:
MasterCard ending in 9653

Pay Now - \$275.01

Cancel



Santee, CA
Order Number: 10655
Monday, October 7, 2024

Invoice #	Item Description	Quantity	Unit Price	Total Price
INV-00006715	ZVL-2024-0017	1	\$267.00	\$267.00
Item Total:			\$267.00	
Convenience Fee:			\$8.01	
Order Total:				\$275.01

Continue to site



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Ramiz Naoum ▾



- Dashboard
- Home
- Service Requests
- Apply
- My Work
- Today's Inspections
- Map
- Fee Estimator
- Pay Invoice
- Search

Payment Received!

My Work

MY INVOICESMY PLANS

Search...		Export to Excel				
Display	Pending					
Plan Number	Project	Address	Plan Type	Status	State	
ZVL-2024-0017			Cannabis Zoning Verification Letter	Submitted - Online	Recent, Pending	

Showing 1 records.