



HIGHTEND
DISPENSARY



1. CANNABIS BUSINESS PERMIT APPLICATION



COMMERCIAL CANNABIS
BUSINESS PERMIT
APPLICATION
(Retail Applications)

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

APPLICANT (ENTITY) INFORMATION

Applicant (Entity) Name: OC Coast Inc. DBA: Hightend

Physical Address: 8844 Fanita Dr Santee CA 92071
Street City State Zip

Primary Contact: Sam Luke Charry Title: Chairman

Mailing Address: 8844 Fanita Dr Santee CA 92071
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: Lemon Grove Ultra Mart Inc.

Proposed Location Address: 9035 Mission Gorge Rd Santee CA 92071
Street City State Zip

Property Owner Phone Number: [REDACTED] Email: [REDACTED]

Zoning Clearance Letter: ☒ Yes ☐ No

Assessor's Parcel Number (APN): 383-121-49-00

APPLICATION SUBMITTAL CHECKLIST

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

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

OWNER INFORMATION

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

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

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

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

Ownership % 85% Background information is included as required? ☒ Yes ☐ No
Owner Name: Sam Luke Charry Title: Chairman
Address: 8844 Fanita Dr Santee CA 92071
Street City State Zip
Signature: [Signature] Date: 10/22/2024

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 % 5% Background Information is included as required? ☒ Yes ☐ No
Owner Name: Lina S. Charry Title: Secretary/Legal Counsel
Address: [Redacted] [Redacted] [Redacted] [Redacted]
Street City State Zip
Signature: [Signature] Date: 10/22/24

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 % 5% Background Information is included as required? ☒ Yes ☐ No
Owner Name: Leonardo S. Charry Title: CFO
Address: [Redacted] [Redacted] [Redacted] [Redacted]
Street City State Zip
Signature: [Signature] Date: 10/22/24

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 % 5% Background information is included as required? ☒ Yes ☐ No
Owner Name: Steven Daly Title: General Manager
Address: [Redacted] [Redacted] [Redacted] [Redacted]
Street City State Zip
Signature: [Signature] Date: 10/22/24

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:

Hightend Dispensary & Lounge 3395 N Indian Canyon Dr Palm Springs CA 92262

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:

NO

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

NO

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.

Sam Luke Charry

Name

Chairman

Title

Signature

10/15/2024

Date

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



HIGHTEND
DISPENSARY



EVALUATION CRITERIA

EVALUATION CRITERIA TABLE OF CONTENTS

SECTION A: BUSINESS PLAN	1
A.1. FINANCES	1
A.1.A. PROOF OF CAPITALIZATION	4
A.1.B. PRO FORMA	4
A.1.C. SCHEDULE FOR BEGINNING OPERATIONS.....	7
A.1.D. FINANCIAL INSTITUTION LETTER.....	9
A.2. DAILY OPERATIONS	10
A.2.A. CUSTOMER CHECK-IN PROCEDURES	13
A.2.B. LOCATION AND PROCEDURES FOR RECEIVING DELIVERIES	16
A.2.C. POS SYSTEM.....	17
A.2.D. NUMBER OF CUSTOMERS TO BE SERVED PER HOUR/DAY	18
A.2.D.I. CUSTOMER TRAFFIC CONTINGENCY PLANS.....	18
A.2.E. PROPOSED PRODUCT LINE	18
A.2.F. LOCAL AND STATE COMPLIANCE	22
A.2.G. TRACKING AND MONITORING PRODUCTS TO PREVENT DIVERSION	28
A.2.G.I. DIVERSION PREVENTION.....	31
A.2.H. WASTE MANAGEMENT	33
A.2.I. ADDITIONAL DAILY OPERATIONS: STATE TESTING REGULATIONS	36
A.2.J. ADDITIONAL DAILY OPERATIONS: PACKAGING AND LABELING	37
A.2.K. ADDITIONAL DAILY OPERATIONS: QUALITY CONTROL PROCESSES	38
A.2.L. ADDITIONAL DAILY OPERATIONS: RECALL	39
SECTION B: LABOR AND EMPLOYMENT PLAN	42
B.1. NUMBER OF EMPLOYEES	42
B.2. EMPLOYEE RESPONSIBILITIES	42
B.2.A. ROLES AND RESPONSIBILITIES: THIRD-PARTY HUMAN RESOURCE PARTNER	45
B.3. EMPLOYEE BENEFITS.....	45
B.4. NON-DISCRIMINATION.....	51
B.5. OCCUPATIONAL SAFETY AND HEALTH.....	52
SECTION C: SECURITY PLAN.....	55
C.1. QUALIFIED PROFESSIONAL SECURITY CONSULTANT.....	55
C.1.A. SECURITY EXPERIENCE	55
C.2. PREMISES SECURITY DIAGRAM.....	57
C.2.A. DESCRIPTION OF ACTIVITIES THROUGHOUT THE PREMISES	59
C.3. OPERATIONAL SECURITY	59
C.3.A. OPERATIONAL SECURITY: ACCESS CONTROL SYSTEMS AND VISITOR CONTROL	62
C.3.B. OPERATIONAL SECURITY: INVENTORY CONTROL AND STORAGE	63
C.3.C. OPERATIONAL SECURITY: DELIVERY	65
C.4. CASH HANDLING.....	67
C.5. PERIMETER SECURITY	69
C.5.A. PERIMETER SECURITY: EXTERIOR LIGHTING	70
C.5.B. PERIMETER SECURITY: PHYSICAL BARRIERS	70
C.5.C. PERIMETER SECURITY: ONSITE SECURITY GUARDS	71
C.5.D. PERIMETER SECURITY: INTRUSION ALARM AND MONITORING SYSTEM	73
C.5.E. PERIMETER SECURITY: VIDEO SURVEILLANCE	74

C.5.E.I. SURVEILLANCE CAMERA INSTALLATION.....	74
C.5.E.II. REMOVE ACCESS AND COMPATIBILITY OF SURVEILLANCE SYSTEM.....	76
C.5.E.III. SURVEILLANCE SYSTEM REMOTE AND LIVE ACCESS TO LAW ENFORCEMENT.....	76
C.5.E.IV. MAINTAINING VIDEO FOOTAGE.....	77
C.5.E.V. QUALITY OF FOOTAGE	77
C.6 EMPLOYEE TRAINING AND GENERAL SECURITY POLICIES.....	77
SECTION D: QUALIFICATIONS OF OWNERS	83
D.1. HIGHTEND CANNABIS BUSINESS EXPERIENCE	83
D.1.A. INDUSTRY EXPERIENCE: CEO SAM CHARRY.....	83
D.1.B. INDUSTRY EXPERIENCE: COO STEVEN DALY	83
D.1.C. LEGAL COUNSEL LINA CHARRY.....	84
D.2. CANNABIS INDUSTRY KNOWLEDGE	85
D.2.A. INDUSTRY KNOWLEDGE: CEO SAM CHARRY.....	85
D.2.B. INDUSTRY KNOWLEDGE: COO STEVEN DALY	86
D.2.C. INDUSTRY KNOWLEDGE: INCORPORATION OF INDUSTRY BEST PRACTICES	87
D.3. OWNERSHIP TEAM: DAY-TO-DAY INVOLVEMENT	88
SECTION E: NEIGHBORHOOD COMPATIBILITY PLAN	91
E.1. PROACTIVE NEIGHBORHOOD ENGAGEMENT	91
E.1.A. PREVENTING NUISANCE AND NEGATIVE IMPACT	91
E.1.B. PROACTIVELY ADDRESSING AND RESPONDING TO COMPLAINTS.....	92
E.2. YOUTH PROTECTION PLAN.....	96
E.2.A. PUBLIC HEALTH OUTREACH STRATEGIES.....	98
SECTION F: COMMUNITY BENEFITS AND INVESTMENT PLAN.....	101
F.1. COMMUNITY AID	101
F.2. MINIMUM WAGE	103
F.3. LOCAL OUTREACH	103
F.4. DIRECT FEES TO THE CITY	104
SECTION G: PROPOSED SITE PLAN.....	106
G.1. EXISTING SITE.....	106
G.1.A. PHYSICAL ADDRESS.....	106
G.1.B. NARRATIVE DESCRIPTION OF EXISTING SITE.....	106
G.1.C. PHOTOGRAPHS OF EXISTING SITE	106
G.1.D. CURRENT USE OF THE SITE.....	107
G.1.E. BUSINESSES OPERATING ON THE PARCEL AND ADJACENT PARCELS	107
G.2. PROPOSED SITE.....	107
G.2.A. SITE PLAN.....	108
G.2.B. DESCRIPTION OF PROPOSED SITE IMPROVEMENTS.....	108
G.2.C. DEPICTIONS OF THE PROPOSED SITE	109
G.3. IMPACTS ON THE SURROUNDING AREA.....	109

SECTION A: BUSINESS PLAN

A.1. FINANCES

Hightend has developed a comprehensive Financial Plan as part of its overall Business Plan, including a detailed startup budget and financial projections that are conservatively crafted to ensure sufficient financial resources for the proposed Santee storefront and delivery service. These projections are based on financial data we have accrued at Hightend's other licensed dispensary and lounge in Palm Springs. They are further reinforced by Owner and CEO Sam Charry's extensive experience managing successful businesses across multiple industries, including gas stations, convenience stores, and regulated retail. His financial expertise has informed these strategies, ensuring that our financial planning is both thorough and resilient. With years of financial oversight and a proven track record of running profitable ventures, Sam guarantees that Hightend's financial plan is prepared to address the unique challenges of the cannabis industry. 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. Hightend has secured start-up capital costs and capital reserves for three months of operating expenses and a 20% contingency to total \$1.95M (the "Startup Budget"). Approximately \$620K 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 Hightend to establish itself as a valued member of the Santee community. The following provides a more nuanced explanation of the various budgeted expenses of Hightend's Startup Budget for our Santee project.

Construction: Hightend has allocated an ample portion of its Startup Budget to Interior and Exterior Renovations. Interior renovations and improvements for the facility interior allocate over \$300/ft² (1,029ft² total), more than double the cost per square foot (\$140/sq ft) Hightend expended on its Palm Springs retail and lounge location. Further, we are proud to commit \$204.5K to exterior renovations, which include façade rehabilitation for our entire building, mural installation, exterior lighting, and landscaping installations and improvements. Sam's ownership of the building and the surrounding lot gives him a vested interest in beautifying the site. He views 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: Hightend's Startup Budget allocates approximately \$485K of non-compensation-based operating costs to cover at least three months of operations. Non-compensation operating costs are projected to be over \$160K per month, including rent (\$12K/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 \$20K 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 Hightend 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. Hightend provides generous Compensation and Benefits packages, which include starting wages at \$21.00/hr. Overall, staff compensation during Startup amounts to nearly \$285K 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 \$98K for equipment costs, based on equipment costs of \$80K for our facility in Palm Springs. Some equipment, such as the vault and odor control system (HVAC + Filters), is included in construction budgeting.

Property Lease: Hightend has secured a tentative location with a Lease rate of \$12,000/month inclusive of triple Net fees. Sam's ownership of the buildings means that Hightend will not have to provide a Lease Deposit or pay any lease holding costs during the construction phase until we are issued a Certificate of Occupancy. Accounting for three (3) months of operations, our total Lease expenses amount to \$36,000.

Security Equipment and Staff: Security Equipment accounts for \$40K of our total budget, including cameras, monitors, motion sensors, and access cards. Security staff costs approximately \$75.6K, which is outlined under our Operating Expenses in the below Startup Budget.

City and State Fees: The Startup budget allocates \$111,424 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. Existing vendor relationships will allow Hightend 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 \$35K 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 \$40K 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 Hightend's operations and educate them on the science of cannabis wellness and the importance of community integration. We have included \$45K 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.

Hightend 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 property as well as the surrounding neighborhood in Santee and the greater San Diego County.

EMPLOYEE COMPENSATION FIGURES

COMPENSATION – NON-SALARIED MONTHLY WAGES

Day of Week	Shift (6hr)	Budtender	Dispatcher	Delivery Driver	Security Guard
Monday	A	1	1	1	1
	B	2	1	2	1
Tuesday	A	1	1	1	2
	B	2	1	2	1
Wednesday	A	1	1	1	2
	B	2	1	2	1
Thursday	A	2	1	1	2
	B	3	1	2	1
Friday	A	2	1	1	3
	B	4	1	2	1
Saturday	A	3	1	1	3
	B	4	1	2	2
Sunday	A	3	1	1	3
	B	4	1	2	2
Weekly Shift Total		34	14	21	27
Monthly Shift Total		136	56	84	108
Hourly Wage		\$21.00	\$21.00	\$21.00	\$25.00

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

COMPENSATION – MANAGEMENT STAFF

MGMT EMPLOYEE(S)	ANNUAL	MONTHLY PAYROLL
CEO	\$95,000	\$7,916.67
COO*	\$95,000	\$7,916.67
CFO*	\$65,000	\$5,416.67
Compliance Officer	\$61,401.6	\$5,116.8
General Manager	\$70,000	\$5,833.33
Inventory Manager	\$61,401.6	\$5,116.8
Lead Budtender	\$61,401.6	\$5,116.8
TOTAL MGMT SALARY	\$504,205	\$42,017.08

TOTAL COMPENSATION – WAGES + BENEFITS

ITEM	COST
Management Salary	\$504,205
Total Hourly Wages	\$399,443
Social Security Taxes	\$56,007.35
Medicare Tax	\$13,098.71
Health Insurance	\$63,234.88
Time off Allowance	\$10,991.78
Other Misc. Fringes	\$90,334.64
Total Compensation Expenses	\$1,137,315

HIGHTEND SANTEE START UP BUDGET

	Total Cost	Itemization	Classification		
			Tenant Improvement	Start Up Costs & Fees	Working Capital
PREMISES (LEASE)	\$36,000				
LEASE DEPOSIT + HOLDING COSTS		\$0		\$0	
3-MONTH'S LEASE		\$36,000			\$36,000
BUILDING IMPROVEMENTS	\$319,500				
MECHANICAL/ELECTRICAL		\$25,000	\$25,000		
HVAC – ODOR CONTROL		\$32,000	\$32,000		
VAULT ROOM & PRODUCT STORAGE		\$20,000	\$20,000		
FLOORING		\$15,000	\$15,000		
DOORS/WINDOWS (INTERIOR)		\$22,500	\$22,500		
FIXTURES/MILLWORK		\$110,000	\$110,000		
LIGHTING		\$15,000	\$15,000		
PLUMBING / ADA RESTROOM		\$20,000	\$20,000		
DRYWALL / FINISHING WORK		\$60,000	\$60,000		
EQUIPMENT (INTERIOR)	\$97,974				
ART & DECOR		\$20,000		\$20,000	
POINT OF SALE		\$6,000		\$6,000	
PHONES		\$974		\$974	
HARDWARE / COMPUTERS		\$6,000		\$6,000	
SECURITY HARDWARE		\$40,000		\$40,000	
INTERIOR FURNITURE (MISC)		\$25,000		\$25,000	
IMPROVEMENTS (EXTERIOR)	\$204,500				
SIGNAGE		\$12,000		\$12,000	
SIDING + PAINT		\$140,000	\$140,000		
BOLLARDS / ADA		\$20,000	\$20,000		
MURAL		\$7,500	\$7,500		
LANDSCAPING		\$25,000	\$25,000		
LEGAL & PROFESSIONAL	\$85,000				
ARCHITECT / INTERIOR DESIGNER		\$35,000		\$35,000	
CONSULTING		\$40,000		\$40,000	
ACCOUNTANT		\$3,000		\$3,000	
BRANDING / DESIGN		\$7,000		\$7,000	
FEES & LICENSING	\$111,424				
CITY SUBMISSION FEE		\$25,711		\$25,711	
BACKGROUND FEES + LIVE SCAN		\$196		\$196	
ZONING VERIFICATION		\$267		\$267	
BUILDING PERMITS		\$25,000		\$25,000	
STATE LICENSE		\$30,500		\$30,500	
OTHER LICENSES (MISC.)		\$18,000		\$18,000	
BANKING		\$10,000		\$10,000	
PRINTING		\$1,750		\$1,750	
OPERATING EXPENSES (3 MTHS)	\$769,930				
PAYROLL					
Management Salary		\$126,052			\$126,052
Hourly Wages		\$99,861			\$99,861
Taxes, Insurance & Benefits		\$58,417			\$58,417
INVENTORY		\$300,000			\$300,000
MARKETING		\$35,000			\$35,000
UTILITIES		\$15,000			\$15,000
SECURITY		\$75,600			\$75,600
MISC. OPERATING COSTS		\$60,000			\$60,000
TOTAL COST(S)	\$1,624,328		\$512,000	\$306,398	\$805,930
BUDGET (TOTAL COSTS + 20% CONTINGENCY)		\$1,949,193			

A.1.A. PROOF OF CAPITALIZATION

HIGHTEND PROOF OF CAPITALIZATION

The startup funding analysis includes a 20% contingency budget, which suggests Hightend needs \$1,949,193 for its retail facility. This consists of a financing summary for capital expenditures and required operating capital for the first three (3) months of operations. Hightend is procuring this capital through Owners Sam and Lina Charry. Sam Charry's various business accounts and Legal Counsel Lina Charry's personal accounts currently

combine to show around [REDACTED] in liquid assets. Sam and Lina Charry have attached Letters and Bank Statements from Neighborhood National Bank, California Bank Trust, and Wells Fargo that attest to the current liquid assets of Owners Sam and Lina Charry. The Proof of Capitalization amounts to [REDACTED], which provides sufficient capitalization for Hightend's proposed Santee facility (\$1,624,328), with more than a 20% contingency for Hightend's overall Santee Startup Budget (\$1,949,193). The funds are organized in the above chart. The Proof of Capitalization included in **File #7 Proof of Capitalization** provides verifying documentation of Hightend's ability to cover the required \$1,949,133 to cover startup costs.

A.1.B. PRO FORMA

The projections outlined below provide a valid pro forma financial statement for three years of operations, which includes operation, maintenance, compensation of employees, utility costs and other operation costs that are based on the operating experience of Hightend's Palm Spring cannabis retail and lounge operation. The following Pro-forma consists of conservative

HIGHTEND SANTEE REVENUE PROJECTIONS			
	DAILY	MONTHLY	YEARLY
TRANSACTIONS	375	11,250	135,000
PRICE/TRANSACTION	\$65	\$65	\$65
GROSS REVENUE	\$24,375	\$731,250	\$8,775,000
REVENUE-COGS	\$12,187.50	\$365,625	\$4,387,500

revenue projections derived from local demographics and operational experience at our other licensed facility. We have used averaged sales data from our Palm Springs location and made adjustments based on the lower retail storefront-to-population ratio in Santee in comparison to the retail storefront-to-population in Palm Springs, which supports fifteen (15) operational dispensaries in a highly saturated market. We have based projections on nearly two and a half times (2.5x) daily transactions than that of Palm Springs (138) because not only does Santee have a population larger than Palm Springs, but the surrounding populations of neighboring San Diego County cities and the limited amount of licenses dispensary options in Santee and surrounding communities will provide our Santee location with a broader customer reach with much less competition. Our projected average transaction price for the Santee location is about \$8 or 14% more than the average transaction price we are currently evidencing at our Palm Springs location, which is based on a ~50% increase in Median Household income in Santee as compared to Palm Springs as well as the fact that we anticipate higher cost per transaction sales at a new locations.

Hightend'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. We believe our projected average ticket price to be conservative and have accounted for Hightend's commitment to providing accessible product options to its consumer base while offering the most sought-after and exclusive 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 Palm Springs retail storefront show average transaction prices of close to \$57/transaction with over 138 daily sales transactions. We are confident that our Santee projections are relatively conservative and that our revenue potential could exceed our projections and approach as high as \$10M on an annual basis. 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.

Retailer Revenue Summary and Pro Forma: The following charts provide an overview of Hightend'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 provided 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). Our projected Gross Margin is around 50% of our Gross Revenue, which is based on an approximately two times (2x) markup on the average wholesale cost of product carried and sold at our stores. 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 \$12,000/month rate in Santee inclusive of triple net fees. Our current model provides for 100% internal funding based on the financial contributions of Owner Sam Charry.

ESTIMATED RETAIL SALES PERCENTAGE			
PRODUCT TYPE	SALES %	SALES/MTH	SALES/YR
EDIBLES	24.8%	\$181,350	\$2,176,200
FLOWER	23.6%	\$172,575	\$2,070,900
PRE-ROLLS	20.4%	\$149,175	\$1,790,100
CARTRIDGE	15.3%	\$111,881	\$1,342,575
BEVERAGE	5.7%	\$41,681	\$500,175
EXTRACT	4.3%	\$31,444	\$377,325
TOPICAL/TINCTURE	3.6%	\$26,325	\$315,900
MERCHANDISE	1.5%	\$10,969	\$131,625
CAPSULE	0.8%	\$5,850	\$70,200
TOTALS		\$731,250	\$8,775,000

The following pages provide a detailed overview of Hightend'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 Hightend's retail operations and business model.

HIGHTEND – 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	\$1,116,292	\$1,215,835	\$1,340,501
Depreciation & Impairment	--	--	--
Amortization	--	--	--
Changes in Working Capital	(\$877,500)	(\$938,925)	(\$1,004,650)
Cash Provided by Operating Activities	\$238,792	\$276,910	\$335,851
Capex for Dispensary	(\$854,398)	--	--
Capex for Maintenance	--	(\$46,946)	(\$50,232)
Acquisitions	--	--	--
Cash Used in Investing Activities	(\$854,398)	(\$46,946)	(\$50,232)
Increase (Decrease) Long-Term Debt			
Sale (Repurchase) of Common Shares	\$1,624,328	--	--
Discretionary Cash Distributions	--	(\$607,918)	(\$670,250)
Cash Provided/Used by Financing Activities	\$1,624,328	(\$607,918)	(\$670,250)
Increase/Decrease in Cash & Equivalents	\$1,008,722	(\$377,954)	(\$384,632)
Beginning Balance Cash & Equivalents	\$0	\$1,008,722	\$630,768
ENDING BALANCE CASH/ EQUIVALENTS	\$1,008,722	\$630,768	\$246,137

HIGHTEND PROFIT & LOSS STATEMENT			
	YEAR 1	YEAR 2	YEAR 3
TOTAL REVENUE	\$8,775,000	\$9,389,250.00	\$10,046,497.50
COGS	\$4,387,500	\$4,694,625.00	\$5,023,248.75
GROSS PROFIT	\$4,387,500	\$4,694,625.00	\$5,023,248.75
OPERATING EXPENSES			
Payroll (Hourly Wages)	\$399,443	\$419,415.15	\$440,385.91
Payroll (Management Salary)	\$504,205	\$529,415.25	\$555,886.01
Social Security Taxes	\$56,007	\$58,807.72	\$61,748.10
Medicare Tax	\$13,099	\$13,753.65	\$14,441.33
Health Insurance	\$62,235	\$65,346.62	\$68,613.96
Time Off Allowance	\$10,992	\$11,541.37	\$12,118.44
Misc. Benefits	\$90,335	\$94,851.37	\$99,593.94
Rent	\$144,000	\$148,320.00	155736
Office/Clerical/Postage	\$3,500	\$3,800	\$4,100
Product Disposal	\$4,800	\$6,000	\$7,200
Bank Fees + Cash Transport	\$22,867.65	\$24,468.39	\$26,181.17
Legal/Compliance/Accounting	\$15,000	\$18,000	\$21,000
Security	\$219,000	\$227,760.00	\$236,870.40
Utilities: Electricity	\$4,200	\$4,284.00	\$4,369.68
Utilities: Sewer + Waste + Water	\$2,300	\$2,461	\$2,633
HVAC Filters	\$5,000	\$5,500	\$6,000
Phone + Internet Service	\$6,000	\$6,000	\$6,000
Computer/POS Software	\$3,600	\$3,600	\$3,600
Facility Maintenance	\$30,000	\$46,946	\$50,232
General Liability Insurance	\$14,400	\$16,000	\$17,500
Car Maintenance + Insurance + Gas	\$15,000	\$17,500	\$18,200.00
QuickBooks Accounting Software	\$3,600	\$3,900	\$4,200
Website & Hosting	\$10,000	\$12,000	\$12,000
Community Benefits	\$87,750	\$93,892.50	\$100,464.98
TOTAL OPERATING EXPENSES	\$1,727,333	\$1,833,563.26	\$1,929,075.67
OPERATING INCOME	\$2,660,167	\$2,861,062	\$3,094,173
TAXES & FEES			
Direct City Fee (6%)*	\$526,500.00	\$563,355.00	\$602,789.85
State License Fees	\$96,000	\$96,000	\$96,000
Federal Tax	\$921,375.00	\$985,871.25	\$1,054,882.24
TOTAL TAXES AND FEES	\$1,543,875.00	\$1,645,226.25	\$1,753,672.09
TOTAL EXPENSES	\$3,271,208.01	\$3,478,789.51	\$3,682,747.76
NET PROFIT	\$1,116,292	\$1,215,835	\$1,340,501

*6% Direct City Fee Based on Commitment made in Section F.4.

HIGHTEND – BALANCE SHEET YEARS 1-3

Balance Sheet	YEAR 1	YEAR 2	YEAR 3
Current Assets			
Cash & Equivalents	\$1,008,722	\$630,768	\$246,137
Receivables	\$965,250	\$1,032,818	\$1,105,115
Inventory	\$1,228,500	\$1,314,495	\$1,406,510
Total Current Assets	\$3,202,472	\$2,978,081	\$2,757,761
Property & Equipment, Net	\$854,398	\$901,344	\$951,577
Intangibles & Other, Net	--	--	--
Total Assets	\$4,056,870	\$3,879,425	\$3,709,338
Current Liabilities			
Accounts Payable	\$639,977	\$679,335	\$714,723
Accruals	--	--	--
Total Current Liabilities	\$639,977	\$679,335	\$714,723
Long-Term Debt			
Total Liabilities	\$639,977	\$679,335	\$714,723
Investors' Equity			
Common Shares	\$1,624,328	\$1,918,986	\$1,918,986
Retained Earnings	\$1,116,292	\$1,215,835	\$1,340,501
Total Shareholders' Equity	\$2,740,620	\$3,134,821	\$3,259,487
TOTAL LIABILITIES & EQUITY	\$3,416,893	\$3,200,090	\$2,994,615

A.1.C. SCHEDULE FOR BEGINNING OPERATIONS

Hightend owners, led by CEO Sam Charry, bring valuable experience in both cannabis retail and real estate development, providing a strong foundation for the proposed Santee facility at 9035 Mission Gorge Rd. Hightend's ownership team has previously overseen successful operational buildouts in Santee, and Hightend will leverage its owners' established network of local contractors, designers, and project managers to ensure that the development of the Santee facility is efficient, timely, and supported by professionals with deep knowledge of the area. Recognizing that Santee seeks best-in-class operators, Hightend will apply its expertise in navigating Santee's entitlement and permitting processes. With its proven experience in cannabis business development and real estate, Hightend has crafted a realistic and conservative timeline to ensure the completion of all steps necessary to become operational. The following table provides a detailed timeline for becoming operational:

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

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

12/31/24 **Phase II Criteria Evaluation and Scoring Results:** The City's consultant reviews Hightend'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:** Hightend will meet with the Selection Committee as part of the City's merit-based scoring efforts. Our impressive operational history and management team result in a high enough aggregate score to merit recommendation to the City Council.

2/10/25 **Phase IV Zoning Clearance and Final Approval:** The Selection Committee presents Hightend as one of the top four ranking Applicants to the City Council and recommends Hightend for approval. Hightend seeks and acquires a zone clearance from the City's Community Development Department – Planning Office and receives approval for a CCB Permit (CCBP).

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

4/05/25 **Building Permit Approval:** Hightend 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 – 6/30/25 **Construction Timeline: Interior Improvement Work:** The contractor begins the 45- to 90-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 – 6/30/25 **Construction Timeline: Exterior Improvement Work:** Contractor begins landscaping, exterior painting to reflect Hightend 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.

6/30/25 – 7/31/25 **HVAC/Odor Control Install:** A registered professional installs an air balance report and odor control system in accordance with approved MEPs.

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

8/1 – 8/15/25 **Mechanical, Plumbing, Fire, and Electrical Inspection:** Engage City inspectors to sign off on any electrical, mechanical, fire, or plumbing work completed at the site.

8/16/25 – 8/30/25 **Security System Installation:** Hightend works with ArmorTech and Bay Alarm Company to ensure proper installation of Security cameras, RFID locks, safe, monitoring servers, alarm system, and other security measures included in the site security plan.

8/16/25 – 8/30/25 **Employee Recruitment:** Conduct ongoing employee recruitment and interviews of employees during build-out so training can begin upon completion of facility improvements.

9/1/25 – 9/10/25 **Retail Floor Preparation:** Install millwork, product shelving, POS systems, stage educational materials, and prepare interior lighting and other finishing work.

9/11/25 – 9/20/25 **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.

9/11/25 – 9/20/25 **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.

9/20/25 – 9/30/25 **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.

10/1/25 -10/15/25 **Certificate of Occupancy Inspection:** Coordinate inspectors for final site inspection and approval of improvements; code compliance checks.

10/1/25 -10/15/25 **Receive State Licensure:** Hightend receives a Type 10 License from the Department of Cannabis Control—outreach to vendors to schedule inventory delivery pending final City approval.

10/1/25 -10/15/25 **Final Approval Received from Santee:** Final approval is granted from Santee to begin licensed-compliant commercial cannabis operations.

10/15/25 – 10/31/25 **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.

11/1/25 **Open House- City Staff and Neighbors (Soft Opening):** Hightend 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.

11/5/25 **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 located at 9035 Mission Gorge Rd is owned by CEO Sam Charry and has been operating as a gas station and convenience store. The plan for the property is to move the existing convenience store to a building on a commonly owned, adjacent parcel to the West and modify the building that currently houses the convenience store into the commercial cannabis retailer. Gas station operations at the site will be preserved in their current state but with additional parking and a streamlined flow for vehicles and customers. The existing convenience store building is in good condition and only requires updated painting, signage and other façade enhancements to communicate the Hightend brand. Existing windows are blacked out to preclude visibility into the building and outfitted with new EnviroFilm on all exterior glass for enhanced climate control. The parking lot is being repaved and restriped to include 12 new parking spaces in front of the building and along the Northern landscaping bay. Landscaping on the corner of Mission Gorge Rd and Fanita Dr is being upgraded to include desert native flora with automated drip irrigation. As outlined above, our typical timeline for construction and improvements allocates approximately three (3) months for planning and permitting processes with another six (6) to eight (8) months to complete the minor tenant improvements contemplated by our retail operations. These minimal tenant improvements and an expedient operational timeline gives Hightend a distinct advantage over competing applicants. Because we are not burdened by a lengthy construction timeline, Hightend 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. 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.

A.1.D. FINANCIAL INSTITUTION LETTER

Hightend’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. Hightend has been working with DAMA for the last 2+ years for all our cannabis banking needs of our Palm springs dispensary and lounge operation. The following letter from DAMA Financial illustrates our relationship to this company, ensuring that Hightend currently has access to banking services through DAMA and will use DAMA for our cannabis banking needs in Santee.



10/18/24

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 OMB Bank, First Option Bank and Dart Bank, Members FDIC.

OC Coast Inc. contacted Dama Financial inquiring about our services in response to the California cannabis licensing process.

We have worked with OC Coast Inc currently and we are confident in our ability to offer access to compliant banking services for his proposed Santee location.

OC Coast Inc. 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 State of California this Letter of Intent, OC Coast Inc. 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 OC Coast Inc..

OC Coast Inc. please submit your questions to a Dama Financial Application Specialist at contact@leaflink.com or by calling 877-401-3262.

State of California or Palm Springs 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

A.2. DAILY OPERATIONS

Hightend is comprised of seasoned business leaders and retail operators, who bring over a combined 40+ years of experience in operating successful businesses across various industries, including cannabis retail, real estate development, convenience

services and telecommunications. Owner and Chief Executive Officer (CEO) Sam Charry has developed and owned a wide portfolio of businesses over the last 30 years, including gas stations, grocery stores, car washes, and laundromats throughout San Diego County. The following table provides an overview of Sam's diverse portfolio, many of which COO Steven Daly has operationally managed, showcasing our ownership's broad experience in regulated industries and commercial developments.

Business Name	Location	Description	Notes
Lemon Grove Ultra Mart, Inc.	8844 Fanita Dr. Santee, CA 92071	Parent company with 5 dba entities	Founded by Sam Charry over 25 years ago.
Qwik Korner #2	9035 Mission Gorge Rd. Santee, CA	Gas station & Convenience Store	One of five dba entities under Lemon Grove Ultra Mart, Inc.
Santee Car Wash	8868 Fanita Dr. Santee, CA 92071	Self-Serve car washing/detailing facility	One of five dba entities under Lemon Grove Ultra Mart, Inc.
Qwik Korner EC	4357 El Cajon Blvd. San Diego, CA	Arco branded Gas Station & Convenience Store	One of five dba entities under Lemon Grove Ultra Mart, Inc.
Kano Foods	4304 Orange Avenue San Diego, CA	Neighborhood Grocery Store	One of five dba entities under Lemon Grove Ultra Mart, Inc.
Kano Laundromat	4306 Orange Avenue San Diego, CA	Self-Serve Laundry facility	One of five dba entities under Lemon Grove Ultra Mart, Inc.
S& R General Partnership	1575 East Valley Pkwy. Escondido, CA	Chevron branded Gas Station & Convenience Store	General partner since 2005.
CTY Sites, Inc.	2913 Stonefield Dr. Jamul, CA	CTY Sites, Inc. owns the Real Estate located at 4405 Home Ave., San Diego, CA 92105, consisting of 18,898 SF of land and a 1,200 SF convenience Store.	Leased to Southland Corporation (7-11), operating a Shell branded gas station.
Casa De Oro Liquor Partnership	9727 Campo Rd. Spring Valley, CA	Neighborhood Liquor Store	General Partner since 1995.
La Posta Market, Inc.	1266 Imperial Beach Blvd. Imperial Beach, CA	Medium-sized neighborhood Grocery	Full meat counter with butcher services, fresh tortillas, and Mexican pastries.
La Posta Enterprises, Inc.	2796 K Street San Diego, CA	Small neighborhood Grocery	Full-service meat and butcher counter, fresh produce, packaged foods, and beverages.
Charry & Charry LLC	9710 Campo Rd. Spring Valley, CA	Real Estate Holding Company	Owns 32,234 sq. ft. building leased to Auto Zone.
La Posta Holdings, LLC	2796 K Street San Diego, CA	Real Estate Holding Company	Owns two neighboring parcels leased to La Posta Enterprises, Inc.
La Posta Properties, LLC	1256-1268 Imperial Beach Blvd. Imperial Beach, CA	Real Estate Holding Company	Owns 20,678 sq. ft. strip center, anchor tenant La Posta Market, Inc.
Charry Inc.	8844 Fanita Drive Santee, CA	Real Estate & Chevron Gas Station	Founded 25 years ago – owns a Chevron Gas Station and

			Convenience Store at 3602 El Cajon Blvd, San Diego.
C&Y, LLC	8844 Fanita Dr. Santee, CA	Real Estate Holding Company	Owns 15,451 sq. ft. parcel with a 1,540 sq. ft. building leased to Charry Inc., dba EC Chevron.
OC Coast, Inc. (DBA Hightend)	3395 Indian Canyon Dr. #A Palm Springs, CA	Cannabis dispensary and lounge	Remodeled and relaunched into a successful cannabis operation after purchase.

In 2021, Sam diversified his portfolio of businesses in Southern California by acquiring a struggling commercial cannabis retailer in Palm Springs and rebranded the store as Hightend. Since the acquisition, Sam has turned this previous-failing business into a bustling retail outlet that attracts locals and tourists alike from all over the Coachella Valley. Sam has applied decades of experience in highly regulated alcohol and tobacco sales to seamlessly transition into commercial cannabis, and Hightend's immense success in Palm Springs catalyzed the idea for another commercial cannabis retailer in Santee, a community in which he already has experience operating a highly regulated business.

Supporting Sam throughout his business ventures is Chief Operating Officer (COO) Steven Daly, who has managed operations at Hightend's retailer in Palm Springs for the last three (3) years on top of working with Sam for over 15 years in his previous projects. Steven brings extensive experience in retail management, with a focus on cannabis, convenience stores, and gas stations. Together, their deep knowledge of the local market and extensive expertise in managing regulated industries has positioned Hightend for success in Santee. Sam and Steven's experience is especially relevant to this property, as the existing Santee Car Wash and Qwik Korner, located at 9035 Mission Gorge Road at the corner of Fanita Dr in Santee are two of their more profitable businesses in the entire portfolio. In operating these businesses at this location for the last 25 years, they have gained heightened knowledge of local demographics, traffic patterns, and customer tendencies which will be critical to the transition of this property into commercial cannabis. The facility in Santee also benefits from Hightend's established network of local contractors, designers, and project managers, which have been utilized to successfully complete numerous development projects in the area. Our owners' familiarity with Santee's local market dynamics, combined with cannabis retail experience at Hightend's Palm Springs dispensary and lounge, ensures that the new facility will be launched and operated efficiently. With this venture in Santee, we will continue to build on a legacy of responsible business management and community engagement, further contributing to the local economy and improving the quality of life in Santee.

Daily Operations: Drawing on experience from operating Hightend's Palm Springs dispensary, daily operations in Santee are framed around refined standard operating procedures and protocols for all areas of daily operations, including but not limited to customer service, product quality management, and compliance. Our operational approach is guided by rigorous attention to detail in areas such as staff training, inventory management, and security measures to ensure that Hightend meets and exceeds industry standards. Furthermore, Hightend relies on its established network of contractors and service providers in Santee to streamline logistical processes and ensure timely, efficient operations. This combination of local market expertise, operational know-how, and a strong focus on regulatory compliance will ensure that Hightend is not only able to meet the expectations of Santee but also deliver an exceptional customer experience, thereby cementing its reputation as a responsible and high-performing cannabis business. The operational strategies employed by Hightend are designed to minimize disruption to the surrounding community while creating a positive impact on the local economy. The following summarizes daily operations that are conducted at Hightend's proposed facility in Santee:

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 Budtender and are then granted access to the Retail Area if occupancy permits; (2) Clients discussing our extensive product line with our Budtender and receiving educational information on different products; (3) Clients making informed selections, remitting payment, receiving their order and exiting the facility; (4) Budtender working to ensure adequate supply in the Retail Area; (5) Inventory Manager and Budtenders 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: Hightend’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

Hightend has developed Client Screening, Registration, and Validation procedures to accommodate high volumes of Adult Use and Medical clients. Hightend has used its collective experience operating a successful cannabis dispensary and lounge in Palm Springs 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. Budtenders 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, Budtenders ask them to leave the facility and return with proper documentation. Budtenders consult the customer database for pre-existing clients or initiate membership intake for new clients. Budtenders 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. Hightend 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. Hightend 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 Hightend’s check-in and dispensing operations:

Triple Verification Process: Hightend 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 Hightend’s state-certified security guard. A preliminary 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 Budtender within the Lobby and a second ID check is conducted using scanners integrated with our Treez 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 Hightend’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 Hightend to store their data within the Treez 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, after which the one-time Adult Use customer’s name will automatically be removed by the POS system, protecting the customer’s identity. The customer is then granted access to the Retail Area where they are prompted for a third ID verification by a Budtender 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). Hightend uses Treez's integrated identification scanners to verify age prior to entry into the Retail Area, which allows Budtenders 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 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 Treez 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 Treez 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 Treez'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. Hightend 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, are also scanned into patient records. All patient documents and records are input into Treez'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. Budtenders verify Adult Use customer or Medical Patient status in the Retail Area and assist in product choice based on patient status. Budtenders 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. Budtenders 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. Budtenders focus on client-specific wellness and treatment plans and provide informational handouts upon request. Budtenders 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 Treez POS processing system and appropriate taxes are automated. Treez'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 Treez 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 Hightend 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 Treez’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;
- 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). Hightend 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 San Diego County Sheriff's 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 and Visitor Control** within **SECTION C: SECURITY PLAN**.

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

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. We schedule deliveries during non-peak hours to limit the potential for visibility and accessibility to bulk cannabis goods during a receiving transaction.

All cannabis goods transferred from the transport vehicle must be placed in packaging that precludes visibility to the general public. The adjacent diagram provides a visual representation of the location and procedure for receiving deliveries.

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

We coordinate all deliveries during off-hours (if permitted) or during hours of low traffic to prevent security breaches involving incoming product shipments.

Our two-pronged approach to track and trace with Treez 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 Hightend's Metrc account and our Treez POS system, which links to Metrc in real time.

- 1) Distributor Employee Path of Travel
- 2) Verification of Shipping Manifest and Certificate of Analysis
- 3) Integration into inventory through Meadow POS and Metrc
- 4) Product checked into secure storage for in-store retail purchases
- 5) Product with specific climate control requirements check-ed into refrigerated secure storage

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 Treez 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. Hightend 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. Treez 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, Treez pushes automated updates to Metrc for sales and associated package IDs, product price, changes in quantity/inventory and closed packages upon delivery. Hightend'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 Treez 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 Treez 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). Treez's software 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. Treez then integrates with Metrc to create an inventory management platform with double verification and seamless integration. All required data points are first entered into Treez 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 Treez POS and OnFleet at our Palm Springs facility and have developed a high level of proficiency in all system features and operations, allowing us to troubleshoot and resolve any issues with ease.



Metrc Integration: Treez 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. Treez 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 SMC 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. Treez 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 four (4) total POS locations at any given time, which allow us to efficiently serve all our clientele while keeping our operations safe and efficient. Two (2) POS terminals are allocated to Adult Use transactions, while one (1) POS terminal is designated for Medical transactions to maintain HIPAA compliance. We have designated one (1) POS terminal as a “Flex” POS station that is 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 our existing cannabis retailer in Palm Springs to project and analyze customer metrics at our proposed location in Santee. It is important to note that Palm Springs has become one of the most saturated cities per capita, with 26 operating retailers and others in development for a population of around 45,000. While Palm Springs' cannabis market does benefit from significant tourism, the aforementioned market saturation has led to declining tax revenue and closures of some dispensaries, which compromises the overall value of the City's cannabis program. By contrast, Santee's population of 59,051 is larger, than that of Palm Springs, and Santee's regulators have thoughtfully developed a cannabis program that will only award four (4) licenses, which is much more correlative to the City's population and prevents saturation in the market. This provides a strong opportunity for Hightend to meet demand and operate in a more balanced market environment without facing the same intense competition seen in Palm Springs

Hightend's Palm Springs location currently processes an average of ~140 transactions a day, with peak traffic approaching 200 transactions per day. *We estimate that we will be able to process upwards of 375 transactions per day with peak traffic projections reaching upwards of 450 transactions per day at our Santee location given the population and demographic analysis highlighted above. This translates to approximately serving 29-38 customers per hour.* Operational data from Palm Springs shows an average transaction time of seven and one-half (7.5) minutes per customer, which we believe can be replicated at Hightend in Santee based on the general experience level with cannabis observed in consumers across San Diego County. Despite designing our ability to facilitate significantly higher operational throughput, our initial 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 75% of business in Palm Springs over the last three months has been attributed to returning customers, and we believe this will be much higher in Santee given the amount of business we receive from tourists in Palm Springs and our connections to the Santee community. Our customer retention efforts not only allow us to ensure a steady flow of customers, but they also allow us to increase transaction speeds 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 allow us to service numbers Three times (3x) greater than our other location, but slightly more conservative projections allow us to have realistic expectations. We have developed staffing projections that include 13 employees at initial opening and 16 employees at full capacity. Twelve (12) of these employees are customer facing and will be handling customer transactions, which we believe is sufficient and correlates effectively to our projected customer volumes. These staffing projections are outlined in **SECTION B: LABOR AND EMPLOYMENT PLAN**.

A.2.E. PROPOSED PRODUCT LINE

Hightend leverages its network of trusted suppliers to offer clients premium cannabis and cannabis-infused products at competitive prices. The dispensary will offer a diverse selection of high-quality cannabis products to meet the varying needs and preferences of all customers. Hightend's approach ensures that the product line is curated with a focus on quality, customer satisfaction, and accessibility, positioning the brand as a leader in the retail cannabis space.

Product Line Assumptions: Hightend has used data derived from Treez POS Software and Alpine IQ at their cannabis retail operations in Palm Springs to develop with estimated sales percentages for Santee. **Overall, flower, including pre-rolls 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 5% 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 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.

Net Sales by Product Type

Select a Product Type to Drill Down to Product Sub Type



Data-Driven Product Decision-making – Alpine IQ: Product line decisions are driven by concrete data and our collective experience in sales and retail operations. Alpine IQ plays a pivotal role in Hightend's data-driven product decision-making process by providing sophisticated analytics that enhance our ability to understand customer purchasing behaviors and trends. This platform allows us to tailor our product line based on real-time data, ensuring our offerings meet the evolving preferences of our consumer base. By tracking customer demographics, behaviors, and sales patterns, Alpine IQ helps us optimize inventory, increase operational efficiency, and deliver personalized marketing strategies to enhance customer loyalty. With Alpine IQ, we can implement "just-in-time" inventory management, reducing excess stock while maximizing product availability and selection for customers. This is further supported by Treez POS, which integrates seamlessly with Alpine IQ to provide a comprehensive view of sales performance and customer data. The combination of Alpine IQ and Treez POS allows us to align our inventory with market demands, ensuring the highest quality products are available at competitive prices, and facilitating smart, data-backed product selection decisions. This integrated system not only improves inventory control but also deepens customer engagement, ensuring that Hightend remains at the forefront of innovation and customer satisfaction in the cannabis retail space.



Product Line Composition: Hightend 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. Hightend's website will provide 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 Hightend:



Flower



Pre Rolls



Vaporizers



Concentrates



Edibles



Tinctures



Topicals



Accessories



Beverages

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. Hightend'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. Hightend 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: 710 Labs; STIIIZY; Coastal Sun; LIIT; Presidential; Allswell; THC Design; Glass House Farms; Pacific Stone; Traditional; Joshwax; California Love; Astronauts; Ventera Farms; Dime Bag; No Till Kings; Blem; Fig Farms; Blue's Beach; Cannabiotix; Traditional; Phases; Henry's Original; Seven G; A Golden State; Hierbloom; Humo; Cam; Cali Lotus; Revelry; hashtag; Floracal Farms; Northern Emerald; Gramlin; The Marathon Cultivation; Wonderbrett; Upnorth; Source Cannabis; WonderBrett; 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.
- **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: 710 Labs; STIIIZY; Lime; Cannabiotix; Lift Tickets; Raw Garden; ABX; Punch Extract; Source Cannabis; California Love; Nasha; Hashtag; Raw Sin; Community Cannabis; Joshwax; etc.



STIIIZY



RAW GARDEN™



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: ABX; Zen CA; the Tablet; Buddies Brand; 710 Labs; Kiva Confections; Kahna; Froot; Heavy Hitters; Level; Community Cannabis; Baked Betty's; Space Gem; Dixie; Dr. Norms; Big Pete's; Highatus; Emerald Sky; Punch; WYLD; Plus; Breez; Joshwax; Muha Meds; Happy Fruit; P&B Kitchen; Papa's Select; Care By Design; Smokiez; STIIIZY; 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.
- **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; Buddies; Mary's Medicinals.



A.2.F. LOCAL AND STATE COMPLIANCE

Hightend owners have a proven track record of maintaining compliant operations in both the cannabis industry and other highly regulated sectors. Our perfect track record of compliance is exemplified by our leadership team's collective experience in operating businesses in California's heavily regulated cannabis industry. This includes overseeing daily operations while adhering to all relevant local, state, and federal regulations. The team is highly knowledgeable in maintaining compliance with MAUCRSA (Medicinal and Adult-Use Cannabis Regulation and Safety Act) regulations and has a comprehensive understanding of the rules set forth by the Department of Cannabis Control (DCC), along with additional guidelines from regulatory bodies.

Beyond the cannabis industry, Hightend's leadership brings decades of experience operating businesses in other highly regulated sectors such as petroleum sales and convenience store management, which includes alcohol and tobacco sales. Our owner's successful management of businesses subject to regulatory oversight from bodies such as the California Department of Alcoholic Beverage Control (ABC) and the Environmental Protection Agency (EPA) has further strengthened Hightend's ability to meet strict compliance standards. This broad experience across diverse sectors provides an added layer of insight, ensuring that compliance is integrated into every aspect of Hightend's operations. 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): Hightend only operates during the hours specified in the Cannabis Business Permit issued by the City. Hightend does not employ anyone under the age of 21 to work in our business.

SMC § 7.04.340(B): Hightend 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 Hightend 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 Hightend'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): Hightend has in place Treez 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. Hightend 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.

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): Hightend provides the City Manager with the name, telephone of Owner and CEO Sam Charry, who is the Community Liaison to whom emergency notice can be provided at any hour of the day.

SMC § 7.04.340(G)(1-4): Hightend'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 Hightend 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 Hightend'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 Hightend's identification only and never contains any logos or information that identifies, advertises, or lists the services or the products offered. Hightend 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 Hightend'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): Hightend 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 Hightend's premises.

SMC § 7.04.340(I): Hightend 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 Hightend. 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 Hightend 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 Hightend'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 Hightend's operations.

SMC § 7.04.340(N): Hightend 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:

SMC § 7.04.360(B): Hightend 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, Hightend 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 Hightend's facility and to make purchases at the point-of-sale station. Hightend 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): Hightend 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 Hightend 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): Hightend 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): Hightend 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): Hightend 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 Hightend'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 Hightend 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 Hightend 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.

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 Hightend's operations.

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

SMC § 7.04.370(A): Hightend 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. Hightend 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 obtain a permit from the City of Santee before conducting any 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: Hightend 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 Hightend 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 Hightend 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 Hightend complies with the requirements set forth by the City regarding its delivery operations:

SMC § 7.04.430(A): Hightend 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): Hightend 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 Hightend establishes relations with the surrounding community as well as provides support:

SMC § 7.04.460(A): Hightend 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, Hightend's Owner, Manager and Chief Operating 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. Hightend's Owners, Managers and Community Liaison 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): Hightend 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, Hightend 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, Hightend will submit to the City a financial audit of the business' operations conducted by our independent CPA.

SMC § 7.04.310(B): Hightend 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 Hightend, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by Hightend. This register will be provided to the City Manager upon request.

SMC § 7.04.310(C): Hightend maintains an inventory control and reporting system using Treez POS software that accurately documents the present location, amounts, and descriptions of all cannabis and 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. Treez integrates with Metrc to create an inventory management platform with double verification and seamless integration. All required data points are first entered into Treez, 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): Hightend 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: Hightend 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 Treez 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). Treez integrates with Metrc to create an inventory management platform with double verification and seamless integration. All required data points are first entered into Treez, which automatically updates data in our Metrc account. These state regulations comprise the foundation of our track and trace SOPs, which have been thoroughly implemented in our Palm Springs facility 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 state regulations comprise the foundation of our track and trace SOPs, which have been thoroughly implemented in our Palm Springs facility without any events of inventory loss, major discrepancy or diversion event.

Operational Requirements - Waste Management (4 CCR § 17223 & Division 30 of the Public Resources Code): Hightend 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 in our Palm Springs facility without any waste-related adverse events.

Operational Requirements - Security (4 CCR § 15042-15047): All Hightend 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 in our Palm Springs facility 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 Palm Springs facility 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 in our Palm Springs facility 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 Palm Springs facility 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. Hightend’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 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 in our Palm Springs facility without any violations.

Retail Operational Requirements (BPC §§ 26070 – 26071; 4 CCR § 15402-15413): All Hightend 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 in our Palm Springs facility without any citations or violations.

Delivery Operational Requirements (BPC § 26090; 4 CCR § 15414-15427): All Hightend 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 in our Palm Springs facility 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 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: Hightend, 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, Hightend's Compliance Officer 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 AND MONITORING PRODUCTS TO PREVENT DIVERSION

Treez 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 Treez 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).

Treez POS - Processing Transactions: Members who have been added to the 'Customer Queue' from Customer Management will populate on the order they arrived on the main screen of the POS module. From here, you'll be able to assign customers to yourself and help walk them through the purchasing process.

To access the SellTreez POS module, Budtenders navigate to the **Retail > SellTreez POS**.

Step 1: Budtenders click on the first member tile to assign them to themselves. The customer tiles populate in chronological order of when the member was checked-in from Patient Intake/Customer Management. If the member is a caregiver purchasing on behalf of their associated patient(s), a blue CG symbol will be shown on their tile. Clicking the caregiver's tile starts an order for any of their patients or a personal order for the caregiver.



Clicking **No Customer** allows Budtenders to enter the POS view without a customer attached to themselves. After clicking **No Customer**, they type a name into the search bar to select a member to begin a new order, select a customer from the queue, or click the 'Current Sale' tile to view saved, draft, or recent sales. Budtenders can change or remove the customer associated with an order at any point during the order process.



Step 2: Budtenders select their name and log in using their personalized PIN and are then taken to the sales screen. At the top of the sales screen, there is a running timer for the current sale. This timer begins as soon as they assign a member to the transaction.

Step 3: Budtenders can quickly familiarize themselves with the customer by clicking on their name in the top left corner of the sales screen to view a summary of their individual profile. The summary includes key information about the customer (from their customer profile) including contact information, accrued rewards dollars, and customer notes. Budtenders can click 'Edit Phone' or 'Edit Email' to update this information in the customer profile. They can also click on **Favorites** to display both favorite products and customer notes at the same time. Favorite products automatically populate based on purchase history. Budtenders then click **View Profile** to open the customer's profile in Customer Management in a new tab. If a patient is associated with a caregiver and both are checked-in, a toggle will display allowing us to select whether or not the caregiver is attached to the sale.

Step 4: From the sales screen, Budtenders either scan product barcodes or manually select products from the menu to add them to the order using integrated Treez 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 product information into the search bar to narrow down your 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).

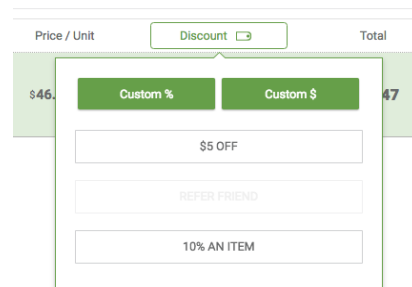
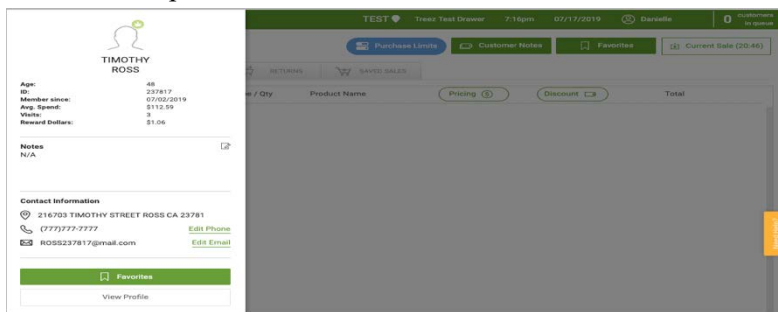
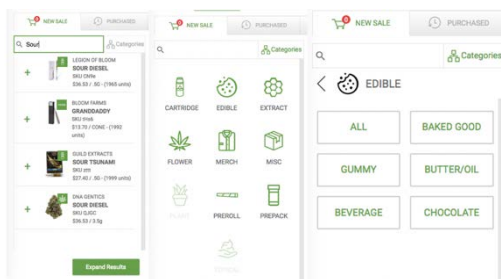
Step 5: Budtenders select the size and quantity of each product and tap **Add to Cart**. This adds the product as a line item to the current order. If the customer decides they want more/less of a product after it's been added, changes can be made to quantities and/or sizes by clicking the **+** or **-** buttons on the left-hand side of the line item. If deli-style bulk flower product is selected, Budtenders must follow additional steps to add the product to the cart.

Step 6: Budtenders can apply any additional discounts by clicking the **Discount** button. For increased accountability, these can be configured to require a manager's PIN. If an item has any 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 Budtenders and customers upon request. In the standard discount view, some coupons display as greyed out depending on whether the coupon is created for a single item versus an entire cart. 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, Budtenders click **Checkout**, which takes them to the payment screen.

Step 8: Budtenders select payment method, or a combination of methods and/or has rewards points enabled.

- **Cash:** The first tile is reserved for exact change, while the following tiles relate to whole cash increments. Selecting one of these completes the sale, prints the receipt, and displays the change due, if any.



- **Card:** Budtenders select the appropriate charge option, use the keypad to enter the proper amount, then tap **Charge**. Once charged, the sale is complete, and the receipt prints.
- **Rewards Dollars/Points:** Clients may use their accrued points to pay for purchases. Reward accrual rates can be configured by going to **Configuration > Config Page > Discounts and Rewards**.
- **Custom:** The 'Custom' buttons allow Budtenders to split payment between a variety of payment methods.



Step 9: Change is returned to the customer and Budtenders click **Done** to complete the sale. This turns the sale into a line item on the 'Purchased' tab.

Treez POS: Returns and Refunds: All returns are designated in Metrc as having been purchased from our retail storefront. Product complaints are documented and sent to the distributor and supplier of origin. No returned product may be resold. Returned products are documented in Treez 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.

Treez POS: Purchase Limits: MAUCRSA limits the amount of cannabis that can be sold to both medical and adult-use customers. Our system will show you how far each customer is to reaching their daily purchase limit to maintain compliance with these limits. To view purchase limit information for a given order, Budtenders simply click the Purchase Limits button at the top of the cart in SellTreez. SellTreez will prevent Budtenders from overselling certain types of products to different customers; if the amount of product added to a customer's cart exceeds their daily limits, the system will block Budtenders 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 Treez as inventory received; the delivery manifest is also uploaded into Treez as an attachment.

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 Treez. 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. Treez 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 Budtender 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 Treez 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.

Adjusting Inventory: While the need for inventory adjustments is quite rare, Treez 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 Budtender drops a glass jar and compromises the product's packaging, Treez 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): Treez 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: Treez'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: Treez 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.

Manual Track and Trace Procedures: Treez 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.

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 Treez 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: Treez and OnFleet offer a two-pronged solution to logistics and recordkeeping for deliveries. Hightend 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 Treez 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 Treez 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 Treez 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:

Treez POS Profiles: Employee-specific Metrc and Treez 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 Treez POS are addressed immediately and resolved prior to incoming/outgoing product transactions; if not sufficiently resolved, discrepancies are reported to the City Manager and Bureau of Cannabis Control within 24-hours of discovery.

Recordkeeping: Records are kept for at least seven (7) years, in Treez 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 handling assignments involving high level Treez 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: Hightend 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** 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 Hightend policies and procedures, or disciplinary/removal measures are taken in the event of an inventory-related violation. Hightend 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) Hightend 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) Hightend 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, COO and Compliance Officer (CO) and set a time within 24 hours to strategize on investigation in a formal meeting.
- 3) Hightend notifies the City Manager 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, Hightend suspends an employee if there is evidence of misuse of resources or if the employee's continued presence may interfere with the investigation.
- 6) The CEO, COO and CO 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) Hightend 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 provides updates to the CEO, COO, CO 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, Hightend and the Security Consultant determines a course of action. This initial report is submitted to the City Manager and the DCC within 7 days of discovering the event.
- 11) Hightend 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) Hightend 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, Hightend provides the final report to the City Manager and the DCC through the appropriate communications channel highlighted in Discovery of Theft, Diversion and/or Loss Notification SOP; An initial report is filed within 24-hours of discovery, with the final report and Corrective Action Plan being submitted to the City Manager and the DCC within 10 days of discovering the discrepancy.

The Security Consultant follows up with oversight from the CEO, COO and CO 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. Hightend 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, Hightend 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. Hightend's non-Cannabis waste is gathered, stored, and disposed of in accordance with SMC in its entirety. Further, Hightend 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.

Hightend's Waste Management Plan contains the following core principles and initiatives: (1) Hightend 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]

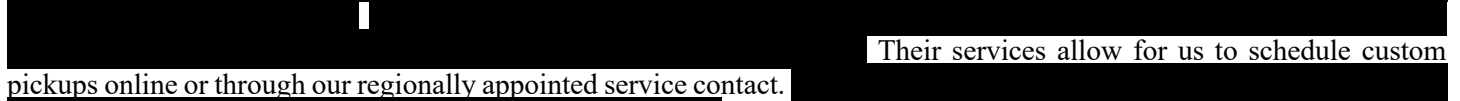
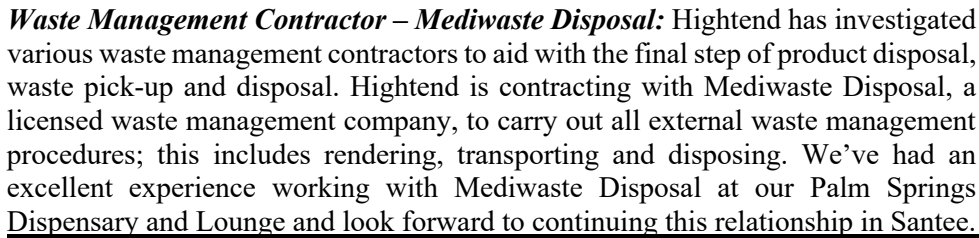
[REDACTED] For purposes of this section, "secure waste receptacle" and "secure waste area" means that physical access to the receptacle or area is restricted to the permittee, employees of the permittee, or by the local agency or local agency franchised or contracted waste hauler only. Public access to the designated receptacle or area is strictly prohibited; (4) Cannabis waste is primarily managed by Mediawaste Disposal, a California-licensed Processor (P); see below under **Waste Management Contractor – Mediawaste Disposal** for further detail; (5) Mediawaste Disposal picks up cannabis waste in an approved receptacle located in the Storage Room, weighs cannabis waste, renders cannabis waste unusable and unrecognizable on camera and transports the waste offsite for disposal; and (6) Hightend 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.

Hightend complies with the rules of Santee and the State of California regarding the disposal of cannabis and cannabis products. Hightend adheres to the following policies: (1) Hightend will dispose of or destroy any unused, unsold, contaminated, or expired cannabis; (2) Hightend will give primary importance to public safety, compliance as well as environmental impact; (3) Hightend policy assures that, in the process of disposal, cannabis is not available to unauthorized persons; (4) Hightend will use a licensed disposal company or compliant procedures to dispose of cannabis; and (5) Mediawaste Disposal synchronizes all waste inputs with Treez POS to ensure all disposed products are tracked, documented, and subtracted from overall inventory Treez POS system. Treez 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 Treez 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: [REDACTED]

[REDACTED]

[REDACTED]



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. Hightend will always use transparent waste bags to discourage product diversion. Hightend 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 Hightend. Public access to designated receptacle or area is strictly prohibited. [REDACTED]

Methods of Rendering Unusable and Unrecognizable: Before removing cannabis waste from the premises for disposal, Mediawaste Disposal 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: Hightend 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, Hightend vows to become an active contributor in the fight against climate change. Organic waste designated for disposal by Hightend under SB 1383 includes primarily cannabis waste but may also include: food waste such as fruit, 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 Hightend 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. Hightend'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. Hightend 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 Hightend, Hightend will return the used packaging to the licensed distributor for reuse. Hightend 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. Hightend 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 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.

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 Palm Springs store. 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 AND 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 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, CMC, 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 Hightend'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. 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

Hightend 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: (i) Wash hands frequently and before entering and leaving the facility as well as before and after eating, drinking, smoking or applying makeup; (ii) Wear appropriate personal protective equipment (PPE); (iii) Always wear protective gloves when handling any hazardous chemicals, such as cleaning solutions; (iv) Remove PPE before leaving the facility and before washing hands; (v) Remove contaminated clothing immediately; (vi) Do not use the clothing again until it has been properly decontaminated; (vii) Follow any special precautions for the chemicals in use; (viii) Do not eat, drink, smoke or apply makeup around cannabis, cannabis products, or chemicals; (ix) Tie back long hair when working near cannabis, cannabis products, or around chemicals; (x) Do not keep food, beverages, or food and beverage containers anywhere near cannabis, cannabis products, chemicals or in areas where chemicals are in use; (xi) Do not touch doorknobs, telephones, computer keyboards, etc. with contaminated gloves; and (xii) 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 Hightend'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.

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.

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

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: (I) 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; (II) A concise statement of the reason for the recall; (III) Statement of known or potential hazards; (IV) Provision of the initial shipping date and quantities shipped/received according to track and trace records; and (V) 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 Treez 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 a 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 disposition of the recalled product.



SECTION B: LABOR AND EMPLOYMENT PLAN

SECTION B: LABOR AND EMPLOYMENT PLAN

At Hightend, we are committed to fostering a workplace culture where every employee is given the necessary tools to succeed. Our Labor and Employment Plan emphasizes fairness, equity, and competitive compensation, alongside comprehensive benefits and opportunities for professional growth. We believe that our success is built upon a strong, diverse workforce, and we support our team with training and development programs in a positive, inclusive environment that champions diversity and inclusion. Hightend's commitment to diversity and inclusion is a core pillar of its operational ethos. We believe that a diverse workforce, reflecting the local community's demographic composition, is essential to providing exceptional service to our clients and fostering an inclusive environment for employees. At Hightend, we prioritize hiring from within the local community, ensuring that our staff reflects the unique character of the area we serve. Currently, our Palm Springs facility employs 10 staff members, 70% of which are Palm Springs residents and the remaining 30% living in nearby communities. Our workforce is diverse, with over half identifying as people of color and several identifying as members of the LGBTQ+ community. At our proposed location in Santee, we will continue to champion inclusion through mentorship programs, quarterly diversity audits, and partnerships with local organizations.

Additionally, Hightend has forged a strong relationship with third-party human resources firm Green Leaf Business Solutions, ensuring that all employment practices meet and exceed regulatory standards. Between local hiring, heightened pay, extensive benefits packages, employee-focused practices and programs, employee training, and other initiatives that put our staff first, Hightend 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 Santee workplace.

B.1. NUMBER OF EMPLOYEES

Position	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 Financial Officer (CFO)	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
Inventory Manager	1	1	\$61,401.60	\$61,401.60	\$61,401.60
Lead Budtender	1	1	\$61,401.60	\$61,401.60	\$61,401.60
Budtender	4	6	\$21.00/hr [†]	\$175,308	\$262,962
Dispatcher	1	1	\$21.00/hr [†]	\$43,827	\$43,827
Delivery Driver	1	2	\$21.00/hr [†]	\$43,827	\$87,654
Total	13	16	--	\$772,167	\$903,648

[†]Roles paid at least \$21.00/hr and tips.

Based on the above table, Hightend will employ 13 employees at its opening. Hightend will transition to 16 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), and Chief Financial 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 Hightend Palm Spring retail and lounge, and his emphasis on adherence to local design guidelines to ensure that all of Hightend'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.

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 her 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 at Green Leaf Business Solutions 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 Hightend's clientele.

Chief Financial Officer (CFO): The CFO is responsible for developing revenue projections during the application and capital raising stage of each project, creating budgets for project development, executing comparative analysis of projections and store performance, assisting with sales strategy development and building long term financial models for Hightend for expansion into new jurisdictions. They also farm and identify assets that fit into Hightend's objective to open retail storefronts in underserved markets where Hightend's brand, store experience and investor returns are maximized. The CFO works to raise capital and ensures that capital is judiciously employed on projects that fit fund objectives and is a key contributor to risk management at Hightend. The CFO's day-to-day responsibilities at Hightend include insurance management, cash management, balance sheet analysis and all other activities that keep Hightend financially healthy and continually profitable. The CFO is the driving force of Hightend's long-term vision and business development strategies.

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 inspections and audits our standard operating procedures to ensure ongoing compliance after changes in regulations. The Compliance Officer 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 to proactively prevent any compliance issues from arising.

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 Hightend's standard operating procedures to achieve the most beneficial sales and employment outcomes. From a personnel perspective, the General Manager oversees the Budtenders, 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 Hightend's business strategy makes them a key contributor in the development, implementation, evaluation and auditing of SOPs for retail and delivery operations.

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 Secure Product Storage 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 Treez 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 Treez, Metrc and Alpine IQ 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 Treez 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 Budtenders as needed. The Inventory Manager is the gatekeeper 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 Hightend's overall sales strategy and any alterations made to this strategy.

Lead Budtender: The Lead Budtender is the "Captain" of our Budtender 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 Budtenders in the event of an emergency. The Team Lead communicates their observations of Hightend'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.

Budtenders: Budtenders 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, Budtenders 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. Customer verification is critical in preventing unauthorized access to cannabis goods for unqualified individuals and maintaining regulatory compliance. Once inside, Budtenders 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. Budtenders 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. Budtenders 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, Budtenders 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. Budtenders 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 with the maintenance of environmental conditions and supporting the inventory process as directed by the Inventory Manager.

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.

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 Treez 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.

B.2.A. ROLES AND RESPONSIBILITIES: THIRD PARTY HUMAN RESOURCES PARTNER

Hightend partners with Green Leaf Business Solutions, a third-party Human Resources (HR) provider that specializes in cannabis payroll, HR consulting, and compliance management. Green Leaf Business Solutions offers a comprehensive suite of HR services tailored to highly regulated industries like cannabis, ensuring that Hightend stays ahead of state and federal labor laws. Their services cover everything from payroll processing, timekeeping, and benefits administration to applicant tracking and employee onboarding.



This partnership allows Hightend to leverage Green Leaf's expertise in navigating the complex legal landscape of the cannabis industry. With tools like automated workflows for routine HR tasks and reporting analytics, Green Leaf helps Hightend maintain compliance and streamline HR processes. They also offer performance management, leave management, and benefit administration, ensuring that Hightend's workforce is supported at every stage. Cannabis-specific services, including managing payroll in cash-heavy operations and providing guidance on cannabis-specific labor laws set Green Leaf services above competitors in ensuring compliance and optimal support for Hightend's niche employment environment. We are excited to be working with Green Leaf Business Solutions as part of an integral component of our ability to maintain compliance with all California and Federal labor laws and specific cannabis industry requirements throughout all operations in Santee.

B.3. EMPLOYEE BENEFITS

At Hightend, 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. Hightend 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 Hightend contributions.

Plan	Salary Employees Contribution	Salary Employee Dependents Contribution	Hourly Employees Contribution
Silver 70 HMO 1800/55	70%	40%	60%
Gold 80 HMO 250/45	60%	40%	50%
Blue Shield Silver PPO 70 2250/50	70% (employee pays difference from Kaiser to Blue Shield PPO)	40% (of base plan Kaiser Silver 70 HMO 1650-55 Alt)	60% (employee pays difference from KP base plan for BS PPO)

Delta Dental PPO Premier Enhanced 1800	70%	40%	60%
VSP (Vision)	70%	40%	60%

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 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. Hightend does not distribute PFL benefits to employees. Whenever employees can foresee the need for time off, they must also provide advance notice to Hightend's management in writing and request time off.

Workers' Compensation: Hightend 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 Hightend. The total contribution by an employee and Hightend 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. Hightend 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 Hightend.

Job Title	Vacation After 1 Year Until End of 2 Years	After 3 Years of Service	Maximum 5 Years of Service
Budtenders, Delivery Drivers	1 week	1 week	3 weeks
Lead Budtender, Dispatcher	1 week	2 weeks	3 weeks
General Manager, Inventory Manager, Compliance Officer	2 weeks	2 weeks	4 weeks
CEO, COO, CFO	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 Hightend'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 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: Hightend 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: Hightend 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: Hightend 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, Hightend offers the following Maternity Leave Program:

- 1) **Primary Caregiver Leave:** for up to 12 weeks of paid leave. Hightend 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. Hightend Paid Family Leave:
 - i. Hightend will pay 40% of wages for the first 8 weeks of leave. Following that, Hightend 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 Hightend 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 Hightend 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. Hightend 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, Hightend 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 Hightend (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 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: Hightend 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 Hightend'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) Hightend 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 Hightend'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 Hightend 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 Hightend for group insurance premiums paid by Hightend 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) Hightend 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 Hightend's attention during the leave. If any action is held in abeyance during the leave of absence, Hightend 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 Hightend's expectations and to observe all Hightend rules, policies and procedures.
- 10) Employees on leave of absence must communicate with Hightend 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 Hightend'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 Hightend 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

Hightend.

- 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.
- 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 Hightend'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: Hightend 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. Hightend 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 Hightend 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)).

Employee Assistance Program (EAP): Hightend 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 and injustice, 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): Hightend offers employees a 401K retirement savings plan. The Vanguard Simple 401k for small business allows Hightend 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 Hightend 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, 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 Hightend 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 Hightend staff receive a 15% 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. Hightend employees are prohibited from extending the company's 25% discount to any non-Hightend staff or contractors. We also encourage our employees to participate in reviewing products.

B.4. NON-DISCRIMINATION

Hightend's non-discrimination policy is grounded in a 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. Hightend 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 Hightend to adhere to a strict non-discrimination policy, which discourages intentional and unintentional discrimination in the workplace. Hightend'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: Hightend 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. Hightend pledges to maintain compliance with the federal Genetic Information Nondiscrimination Act (GINA).

Reasonable Accommodation: Hightend 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: Hightend 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: Hightend commits to providing a workplace free of unlawful discrimination, harassment, retaliation, disrespectful or other unprofessional conduct. This policy applies to all persons involved with Hightend 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: Hightend 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 complaint in writing, but this is not mandatory.

Hightend 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, Hightend 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 AND HEALTH

Protecting employee safety and health is a top priority at Hightend's proposed cannabis business. Sam Charry has taken heightened measures to prevent injury and illness at his gas stations, convenience stores as well as his retail cannabis store and lounge, which are work environments that present many more significant hazards than the typical business and workplace. Sam's experience has helped Hightend 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 Hightend'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 Green Leaf Business Solutions 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 Hightend'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 by 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.

Safety and Health Management System (SHMS): Hightend's written SHMS addresses the scope and complexity of potential hazards at the proposed cannabis business. The Applicant 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. Hightend 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 the Applicant'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. The Applicant's leaders set examples by practicing proactive visible behaviors that demonstrate a commitment to the 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. Hightend uses trending issues that cannabis businesses may experience over time as a baseline to drive goals and objectives. Hightend 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: Hightend 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. Hightend conducts regular hazard reporting inspection that verifies that existing controls are still in place and effective. Hightend 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. Hightend uses a risk matrix to help decide which hazards would be appropriately mitigated with elimination, engineering controls and administrative defense. Hightend 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.



SECTION C: SECURITY PLAN

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C.1. QUALIFIED PROFESSIONAL SECURITY CONSULTANT

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



October 21st, 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 Hightend, 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 detailed 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 Hightend. 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
ArmorTech Security

C.1.A. SECURITY EXPERIENCE

We have gained extensive experience in preventing and handling potential security risks, including criminal, fire, medical, and hazardous emergency situations, through their various cannabis and non-cannabis business ventures. At Hightend's Palm Springs location, which includes a cannabis consumption lounge, they've overseen stringent security protocols tailored to manage increased customer volume and on-site cannabis consumption. This experience required comprehensive measures such as advanced surveillance, access control, and robust product tracking systems to prevent diversion and theft. Additionally, their experience in managing gas stations and retail operations involving alcohol and tobacco sales has further enhanced their expertise in handling high-risk environments, where tight cash handling and inventory security are essential.

Their combined knowledge across these industries equips them to ensure the security and safety of Hightend's proposed Santee location.

Security Experts: 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 who provides overall security consulting and skilled security personnel. We also work with the **Bay Alarm Company** who 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. During the facility outfitting phase, Armortech collaborates with ownership and our other security contractors to implement physical security design and additional facets of our program in adherence with our security plan presented in this 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 onsite security personnel 24 hours a day, 7 days a week or at intervals permitted by the City, along with ongoing training for Armortech personnel and site-specific aspects of the business's Security Plan staff training. The Bay Alarm Company coordinates with Armortech Security to design and implement an alarm system that has the necessary components and notification systems to respond to emergencies. In addition to training employees on our SOPs, we conduct regular meetings with our third-party security vendors to ensure our staff knows how each of these security systems is related to our facility's overall operational security. These vendors serve Hightend in all its cannabis business safety and security operations to ensure the highest levels of safety and security for our staff, clients, and the community. The following summarizes the experience of Armortech Security and how this experience factors into Hightend's overall operations:

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 Hightend'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 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/Liason 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 Hightend's Santee premises, Samuel will send the City of Santee and the San Diego Sheriff's Department contact 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.



C.2. PREMISES SECURITY DIAGRAM



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 Hightend 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 (36 sqft): Main Entrance; Access to Secure 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.

Secure Check-In (38 sqft): Client check-in; Identification (ID)/recommendation verification; and Visitor check-in

Retail Area (429 sqft): Temporary cannabis storage; Customer education; Viewing of sample products accompanied by a Budtender, Team Lead, or Manager; Cannabis sales using a Treez 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)

Secure Storage (234 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; Video Surveillance Storage; Records 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.

Loading/Unloading Shipments & Deliveries (108 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 (55 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)

Restroom (48 sqft): Remains locked and under control of management at all times.

Vault (15 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 will continually work with the Santee community to enlist their input and guidance during the initial implementation of our Security Plan and throughout the evolution of the business.

Every location has unique security concerns and protection requirements based on its operations, unique threats, exposure, locations and design. The following outlines the security protection systems for our proposed Hightend facility in Santee. Included in this application is a security assessment from ArmorTech, a State of California Bureau of Security licensed operator and a leader in cannabis security throughout California. In order to protect the premises, customers, subcontractors and employees, Hightend operates in accordance with the following procedures:

- 1) Only employees, customers, authorized subcontractors, authorized City of Santee personnel, emergency responders and law enforcement are permitted access to the store;
- 2) Customers, subcontractors, and authorized visitors are permitted access to the store only in accordance with applicable laws and regulations, as well as the access to store procedures described herein;
- 3) Employees are directed to pay close attention to the access points to the store. 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;
- 4) The design and implementation of various security systems including alarms, video surveillance etc.
- 5) Onsite Security Personnel enforce perimeter and interior security;
- 6) 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;
- 7) All employees receive training in accordance with the Personnel Policies and Procedures of Hightend, with such training to be conducted by experts in the respective areas;
- 8) All staff and management receive loss prevention and safety training and must pass an online, armed robbery awareness course conducted by Hightend's preferred security contractor, ArmorTech Security. All security training certifications received are stored in each employee's personnel file, which are kept in the Manager's office;
- 9) Bay Alarm has developed and is installing a comprehensive framework for surveillance and access control;
- 10) Bay Alarm Company carries out remote monitoring and alarm response in the event of a security breach;
- 11) Each employee must wear a company-issued identification badge at all times while at a store; and
- 12) 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.

Operational security focuses on policies, processes, training, written and unwritten procedures, and personnel. 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. Hightend'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 Hightend employee is considered part of the security program, and each designated role has specific responsibilities with respect to security. Through a security awareness program as well as fluid communication and demonstrated experience by our leadership, employees are taught to understand the relationship between security and the organization's success, learn their obligations to operational security, understand how various security measures support security program objectives, and become familiar with available resources to help with security concerns.

Incorporation of Industry Best Practices: Our approach to operational security also includes an analysis of Threats, Risks and Appropriate Responses. The following scenarios have been considered during the preparation of the Security Plan and how we can mitigate these occurrences through robust operational security: (1) Armed assault during business hours; (2) Insider theft during business hours; (3) After business hours insider threat; (4) After business hours threat to Security Personnel or other personnel; and (5) After hours burglary attempt. We also incorporate 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.

Operational Security - Compliance Overview: Hightend 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 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. Hightend 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 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 Hightend 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 SDCSD with such approval not to be unreasonably withheld.

SMC § 7.04.320(A)(11): Hightend 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 Hightend employee or a licensed security professional during all hours of operation.

SMC § 7.04.320(A)(13): Hightend uses Treez 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): Hightend 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): Hightend 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): Hightend'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): Hightend'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 Hightend'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 Hightend, and any currency; sections of this plan are summarized throughout this application.

SMC § 7.04.320(D): Hightend 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.

SMC § 7.04.320(E): Hightend 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 Hightend or any agent or employee of Hightend; (3) The loss or unauthorized alteration of records related to cannabis, customers or Hightend employees or agents; (4) Any other breach of security.

C.3.A. OPERATIONAL SECURITY: ACCESS CONTROL SYSTEMS AND 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. Hightend 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 Budtender stationed in Secure Check-In. The Budtender 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 10 minutes per visit under normal operational conditions.

Access Control – Secured Storage: The Secure Storage Room is where bulk cannabis goods are stored until they are designated for fulfillment into the Retail Area or pulled for retail delivery. The Secure Storage Room is outfitted with RFID technology so each individual attempting to enter the Secure Storage 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 Secure Storage Room, such as Budtenders, are integrated into this system in onboarding. The access control system stores data on all successful entrances and attempted entrances into the Secure Storage Room with a timestamp to ensure we know the exact point in time in which the Secure Storage 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 system for the Secure Storage Room described above, various doors throughout the facility are outfitted with RFID tags 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 Hightend, 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. Hightend-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: Hightend has accounted for visitors to the facility such as the Department of Cannabis Control (DCC), City Manager and their designee, Sheriff Deputies, 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 Hightend and requests access to a LAA must be at least 21 years of age and is escorted at all times by an Hightend employee who has access credentials to the areas the individual requires access to. Hightend maintains a physical and electronic log of all non-employed and authorized individuals that requests access into an LAA. Such logs are available to Hightend 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, Hightend 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.

C.3.B. OPERATIONAL SECURITY: INVENTORY CONTROL AND 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 Treez 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 Secure Storage 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 Treez Point of Sale (POS) software to assist sales processing and inventory management throughout our internal supply chain. Treez and Metrc integrate and live sync with one another. Treez 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, Treez pushes automated updates to Metrc for sales and associated package IDs, product prices, changes in quantity/inventory, and closed packages. Hightend's Budtender maintains an active roster of all employees using the Metrc system and notifies the Department of Cannabis Control (Form LIC-028) within twenty four (24) hours 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 at every stage of the retail process.

Secure Storage: All pre-sale cannabis goods are stored in the Secure Storage 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 Secure Storage Room is designed to incorporate scalability for surveillance technology and storage capacity to account for operational expansion.

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.

Electronic access controls maintain an electronic daily log of employees with access to the Secure Storage Room and Vault and knowledge of access codes or combinations along with entry and exit logs with associated time stamps. Access to the Secure Storage 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: Hightend follows a strict procedure while receiving an order to ensure the safety and security of our staff, guests, and third-party vendors. All incoming deliveries are coordinated with Distributors on randomized schedules with pre-verification of product, drivers, and shipping manifests prior to arrival. Our facility has been designed in such a

way as to minimize product exposure during incoming shipments as well as outgoing deliveries. Drivers must park in assigned vendor/delivery parking in the rear of the facility. See **A.2.B. Location and 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 Hightend policies and procedures, or disciplinary/removal measures are taken in the event of an inventory-related violation. Hightend 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) Hightend 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) Hightend 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

Hightend 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. Hightend'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).

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 Treez 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)). Hightend'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. Hightend also implements activated charcoal odor absorption bags in areas where product lockboxes are located to mitigate the possibility of identification through odor. All vehicles are outfitted with dashboard cameras for added security. Vehicles are parked onsite in designated spaces during non-operational hours and during operational hours when not in use. Hightend never deploys unmanned vehicles "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. Hightend 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 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 Hightend. If an employee must make a call, including an emergency call (911), the motor vehicle should first be parked in a safe location. All Hightend 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 (8) 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

Hightend in conjunction with its Cannabis CPA, Nest Egg Advisors, 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 Hightend's accounting and tax compliance SOPs.

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

Control Environment: The culture, values, and expectations of Hightend 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 Hightend'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: Hightend 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 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 Treez 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:

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 Hightend 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 Budtenders. Overage and shortage limits and frequency of occurrences are documented with corrective action per Hightend policy. All transaction corrections are approved by management and marked in the cash register journal. Hightend 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. Hightend periodically compares the reconciliation of budget to actual activity. A Certified Internal Auditor (CIA) reviews cash reconciliations 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 Treez, 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- Budtenders do not have access to any passcode; and 5) Tamper-proof grand totals. Budtenders 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 Budtenders' 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.

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: Hightend 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 Treez POS systems equipped with registers and receipt producing equipment for all transactions, point of sale data and audit trails. All sales are recorded in Treez 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. Budtenders 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 Hightend'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. Hightend employees are proficient in use of counterfeit marker pens, and UV-lighting systems for bills and identification. Designated Budtenders are responsible for exercising care in screening transactions for counterfeit currency. If a questionable bill is received, the Budtender retains possession of the bill and contacts the Team Lead immediately. Documentation of counterfeit currency includes the date and time of the transaction, the Budtender 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 from local law enforcement, 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 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 and General Security Policies* for further detail on training in cash management protocols.

C.5. PERIMETER SECURITY

Hightend'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 with oversight from the Compliance Officer. 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. Hightend posts signage,

and the building has enough exterior lighting to avoid loitering, vandalism, criminal activity and unauthorized entry. Hightend 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 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 main entrance to the facility is guarded by Security Personnel at all times to verify age and identity prior

to entry and to control customer and behavior throughout their entry. The store will utilize a separate entrance in the back of the facility's Eastern wall to service incoming distribution and outgoing retail deliveries. Utilizing a secure entrance for deliveries that is separate from customer entry maintains compliance with state regulations, 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 Hightend are recorded from both interior and exterior vantage points 24 hours a day with a live feed provided to the SDCSD. One KnoxBox device will be mounted in front of the entrance for emergency responders; the master key is provided to the SDCSD and Santee Fire Department.

Bollards: We install bollards in various places on the Northern and Eastern property line and 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.

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

Hightend'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 Hightend 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: Hightend deploys at least two part-time and two full-time armed security officers. At least one guard is present at Hightend 24 hours a day or at an alternative arrangement as approved by the San Diego County Sheriff's Department.

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 Hightend is not in operation, and we will seek approval from the City Manager for any proposed alternative 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. Hightend 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/Delivery; (4) Lobby; (5) Secure Check-In; (6) Roving patrols of all departments within the facility's interior; (6) Secure Storage; and (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 Hightend'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 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.

Guard Roles & Responsibilities: ArmorTech provides Hightend with a copy of Facility Post Orders and a Security Officer Manual. Instructions in Post Orders are specific to Hightend 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.

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 Hightend 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 Hightend'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 Hightend, 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.

C.5.D. PERIMETER SECURITY: INTRUSION ALARM AND 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. 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, twice 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 plan to use at our 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 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 typically 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, SPDT, DPOT and high security modes available; Hermetically sealed magnetic reed switches encased in fire-retardant ABS plastic housings.

Under Desktop Duress Button: We typically 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: Hightend'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. Hightend'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. Hightend'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. Hightend 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 Hightend'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.

C.5.E. PERIMETER SECURITY: VIDEO SURVEILLANCE

Hightend 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.1. 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) Secure Storage Room (LAA)
- 2) Office (LAA)
- 3) Vault (LAA)
- 4) Multiple angles throughout the Retail Area
- 5) Vendor Intake/Delivery (LAA)
- 6) Lobby
- 7) Secure Check-In
- 8) Entrances/Exits including emergency egress/delivery door
- 9) Each Point of Sales location
- 10) Various locations throughout the exterior with an emphasis on the parking lot
- 11) 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. 360-degree cameras are employed sparingly for additional coverage as needed.

Surveillance System Features: Each camera is contained in weatherproof housing to prevent tampering and vandalism. Camera features include:

- 1) 2.8 mm fixed lens with an infrared focus range up to 65ft at .01 lux capacity.
- 2) All cameras are pre-programmed at 15 frames/second with maximum recording speed of 20 frames per second.
- 3) 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.
- 4) 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.5.E.II Remote Access and Compatibility of Surveillance System** and **C.5.E.III. Remote and Live Access Provided to Law Enforcement** below for further detail.
- 5) DVR maintains video recordings for 120 days, 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.IV. 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."
- 6) 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.
- 7) The surveillance system can allow the alarm monitoring company to hear live video of the premises upon activation of the alarm.
- 8) 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 our Palm Springs dispensary and lounge as well as multiple convenience stores and gas stations that are managed by our owners. Below is a summary of these procedures:

- 1) We first work with Samuel 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 Samuel 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 San Diego County Sheriff's Department 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 AND COMPATIBILITY OF SURVEILLANCE SYSTEM

Hightend will provide the San Diego County Sheriff's Department with access to our video surveillance and will ensure compatibility with the County's software and hardware throughout all operations. We have developed the following procedures for ensuring that the security camera footage is remotely accessible to law enforcement, and that it is compatible with the County's software and hardware:

- 1) We ensure the San Diego County Sheriff's Department'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 the San Diego County Sheriff's Department'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 the San Diego County Sheriff's Department, but it also provides Hightend, 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 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 the San Diego County Sheriff's Department to ensure they are able their system is compatible and can be accessed remotely; and
- 6) We meet with the San Diego County Sheriff's Department on an annual basis to run test checks on the system, and we will make any necessary changes to our system should the San Diego County Sheriff's Department decide to change their preferred hardware, software or other connectivity protocols.

In addition to the above, Hightend sets up a secured online feed for its overall facility camera coverage. 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. SURVEILLANCE SYSTEM REMOTE AND LIVE ACCESS TO LAW ENFORCEMENT

Our surveillance system storage device and cameras are compatible with the County's software and hardware and are transmission control protocol (TCP) capable of being accessed remotely through the internet by the San Diego County Sheriff's Department. Our secured online feed allows law enforcement to view all camera angles remotely through a website that can only be accessed through limited credentials provided to approved outside agencies, such as the DCC, Armortech, Bay Alarm, and local law enforcement. We conduct the following installation procedures to ensure live and remote surveillance system access to law enforcement:

- 1) We test protocols once the system is installed to ensure law enforcement has access to the footage;
- 2) 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

- 3) We provide the San Diego County Sheriff's Department 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.

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.

C.5.E.IV. 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 90 days more than the requirement imposed by the DCC;
- 2) We make all recordings available to the City and County Sheriff's Department 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, Hightend'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 San Diego County Sheriff's Department for an attempted break in and theft.

C.5.E.V. 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 since the opening at our Hightend location in Palm Springs and have determined that this resolution provides exceptional image clarity and sufficient quality for prosecution of a crime committed onsite.

C.6. EMPLOYEE TRAINING AND GENERAL SECURITY POLICIES

Hightend'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 Hightend, 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 Hightend, 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 Hightend staff member.

Throughout their employment at Hightend, 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 Hightend.

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 Hightend: (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 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; (8) Proper operation of security equipment such as access control, alarm and surveillance systems; and (9) 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 Budtenders 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. Hightend 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. Hightend’s burglary and robbery protocols focus on protecting assets, preventing unauthorized entry, and deterring crime from the outset. All Hightend 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 Treez’ 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 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. Hightend 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.

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 Treez POS: Our Owners, Managers and Supervisors undergo state mandated Metrc training and all modules relating to Treez 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 Treez 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. Treez 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. Treez 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. Hightend 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.



HIGHTEND
DISPENSARY



SECTION D: QUALIFICATIONS OF OWNERS

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D.1. HIGHTEND CANNABIS BUSINESS EXPERIENCE

D.1.A. INDUSTRY EXPERIENCE: CEO SAM CHARRY

Chief Executive Officer (CEO) Sam Charry has amassed more than two decades of experience in highly regulated industries, culminating in his move into the cannabis sector with Hightend. Sam began his career in satellite communications and remained in this sector for over 25 years. He led numerous successful satellite system designs, which transformed global connectivity through the use of innovative satellite technology that had recently been developed and was far from the industry standard at the time. As founder of Satellite Technology Management Company, Sam gained international recognition for his contributions in the space industry, proving his leadership in emerging industries. His educational background at Loyola University Chicago's Quinlan School of Business and participation in numerous seminars and training programs further developed his leadership skills, particularly in team development, organizational management, and regulatory compliance.

Sam eventually felt that it was time to exit the satellite communications and technology sector and begin a series of entrepreneurial ventures that would eventually lead to Hightend's inception. Sam began using residual income from his Satellite Technology Management Company to fund a series of gas stations, carwashes and convenience stores all over San Diego County. Throughout the last 25 years he has built a portfolio of 15+ businesses of this nature across Santee, San Diego and Imperial Beach. In operating these successful gas stations and convenience stores across San Diego County, Sam became deeply familiar with the complexities of operating in heavily regulated retail sectors such as alcohol and tobacco sales, honing his expertise in maintaining operational compliance, managing inventories, and delivering exceptional customer service. Sam had developed a strong foundation in compliance, retail operations, and the management of high-volume sales environments, which he relied in on his transition to commercial cannabis retail.

Sam's passion for being on the cutting edge of new markets, coupled with unrivaled leadership skills and extensive experience in highly regulated industries, particularly tobacco and alcohol, made his transition into the cannabis sector a natural progression. As a visionary entrepreneur, he recognized the immense potential of the newly legalized cannabis market and saw it as an opportunity to apply his deep understanding of regulatory compliance and retail operations to a burgeoning industry. In 2021, Sam acquired a cannabis dispensary in Palm Springs, which had been struggling under its previous ownership. Sam immediately set about transforming the business, leveraging his extensive operational experience to overhaul the store's management, marketing strategies, and compliance protocols. Sam's efforts quickly bore fruit as the remodeled and rebranded Hightend Palm Springs dispensary and lounge began to thrive. Under his leadership, Hightend streamlined its operations, optimizing inventory management and integrating cutting-edge technology to enhance the customer experience. His focus on ensuring full compliance with the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) and the Department of Cannabis Control (DCC) regulations allowed the business to run efficiently, with a perfect compliance track record to date.

Beyond his cannabis business experience, Sam has demonstrated a long-standing commitment to the City of Santee, where he has owned and operated multiple businesses for over two decades. His ventures, including the Santee Car Wash on Fanita Drive and Qwik Korner on Mission Gorge Road, have been successful pillars in the community, helping to create local jobs and boost the local economy. Sam's deep ties to Santee, coupled with his extensive business and compliance experience, make him uniquely positioned to lead Hightend's expansion into the Santee cannabis retail market. His proven ability to run compliant, community-focused businesses highlights his readiness to contribute to the city's thriving local economy while ensuring that Hightend becomes a trusted, responsible cannabis retailer.

D.1.B. INDUSTRY EXPERIENCE: COO STEVEN DALY

Chief Operating Officer (COO) Steven Daly currently serves as the General Manager at Hightend's cannabis retail dispensary and lounge in Palm Springs, a role he assumed in 2021 after building upon a 15-year professional relationship with CEO Sam Charry. Prior to joining Hightend, Steven had an extensive career in retail management, with a primary focus on convenience stores and gas stations. As a general manager for multiple locations, Steven oversaw all aspects of operations, staff management, and customer service. His experience also extends to the telecommunications industry, further enhancing his expertise in customer-centric retail environments. While Steven did not have direct cannabis industry experience before Hightend, his background in managing highly regulated retail operations provided a strong foundation

for his role. Upon joining Hightend, he quickly immersed himself in studying the cannabis market, regulations, and products. His diligent efforts allowed him to become proficient in industry-specific knowledge while applying his vast retail management experience.

At Hightend, Steven's role is comprehensive, overseeing the entire operation. He manages staff, inventory, vendor relations, compliance, city permit processes, legal matters, and strategic planning. Steven works closely with the Hightend team to ensure the business maintains the highest standards of service and compliance. Steven has developed Hightend's business model to be customer-centric, combining premium product selection with educational experiences. Steven plays a key role in creating a welcoming and professional environment where both experienced users and newcomers feel comfortable. Under his leadership, Hightend distinguishes itself through a commitment to customer education, product quality, and community integration. In day-to-day operations, Steven ensures strict inventory control procedures are followed, utilizing state-of-the-art tracking systems integrated with METRC. He oversees daily inventory audits and has implemented a just-in-time ordering system to ensure product freshness. Compliance is woven into every aspect of operations under his guidance, with regular staff training sessions and internal audits ensuring full adherence to regulations.

Steven's commitment to the community is reflected in Hightend's participation in local events. He prioritizes staff development through a comprehensive training program that goes beyond basic product knowledge, providing ongoing education through weekly team meetings, vendor demonstrations, and opportunities for staff to attend industry conferences and workshops. To stay current with industry trends and regulations, Steven maintains active memberships in several cannabis industry associations, regularly attends conferences and workshops, and leads a dedicated team that monitors regulatory changes. Looking to the future, Steven and the Hightend are excited to develop the Hightend brand, starting in Santee where he has worked closely with CEO Sam Charry as intrinsic business members of the community. His goal is to transform Hightend as a leader in the California cannabis market, known for quality, compliance, and community engagement.

D.1.C. INDUSTRY EXPERIENCE: LEGAL COUNSEL LINA CHARRY

Lina Charry, Hightend's Legal Counsel, brings over a decade of legal and business expertise to the company's leadership team. As an experienced attorney, Lina's extensive background in regulatory compliance, corporate governance, and business management ensures that Hightend meets and exceeds all local and state regulatory requirements. Since 2011, Lina has been a licensed attorney and member of the California State Bar, with admissions to multiple federal courts, including the United States District Courts for the Southern, Northern, and Central Districts of California, as well as the Supreme Court of the State of California. This legal foundation equips her with the skills necessary to navigate the complex regulatory frameworks of the cannabis industry.

Lina's academic career is marked by leadership and excellence. She earned her Juris Doctorate from Loyola Law School, where she served as ESBA President and received the prestigious Dean's Service Award. She also pursued studies at Harvard University, where she maintained a perfect 4.0 GPA, and she graduated with honors in Political Science from UC San Diego. These academic achievements, combined with her leadership roles, demonstrate her ability to thrive in complex environments, qualities that are vital to her success in managing compliance and legal operations at Hightend.

Lina's decorated professional journey reached an apex with the founding of her own practice, The Law Offices of Lina Charry, established in 2019. At her firm, she has successfully handled legal matters for a diverse range of clients, focusing on business law, regulatory compliance, and corporate governance. In addition to running her legal practice, Lina has been a shareholder and in-house counsel for CTY Sites, Inc. since 2016. In this role, she has overseen complex regulatory compliance matters, managed legal disputes, and contributed to business strategy and corporate governance. Her experience at both her practice and CTY Sites underscores her entrepreneurial spirit and her ability to develop effective legal strategies that help businesses navigate complex regulatory landscapes, skills that directly inform her work at Hightend.

Lina's dedication to community engagement is another cornerstone of her career. Since 2017, she has owned the San Diego East County Chaldean American Chamber of Commerce, where she has actively promoted economic development and strengthened community relations. Her commitment to public service was recognized early in her career when she was named Miss El Cajon (2006-2007). While her primary focus at Hightend is on compliance and legal matters, Lina's community involvement enhances her capacity to foster positive relationships with local stakeholders, ensuring that Hightend remains aligned with community values and expectations. Through her legal expertise, academic background,

business acumen, and community engagement, Lina Charry plays a pivotal role in Hightend's success as a compliant, legally sound, and community-focused cannabis operator.

D.2. CANNABIS INDUSTRY KNOWLEDGE

D.2.A. INDUSTRY KNOWLEDGE: CEO SAM CHARRY

CEO Sam Charry's knowledge of the cannabis industry is both comprehensive and strategic, shaped by his direct experience managing a thriving dispensary and his deep expertise in regulated industries like real estate, gas stations convenience services, and satellite communications. In cannabis, Sam has proven himself adept at navigating the complex regulatory landscape, fully complying with MAUCRSA and the detailed rules set forth by the DCC. Sam has crafted highly efficient Standard Operating Procedures (SOPs) for Hightend's Palm Springs location, ensuring seamless operations, financial sustainability, and strict compliance with every aspect of the state's cannabis regulations. The following are key areas where Sam has demonstrated exceptional expertise in the cannabis industry, enabling Hightend to excel in the competitive cannabis market:

Regulatory Compliance: Sam's understanding of cannabis compliance goes beyond merely following established regulations. He has implemented proactive strategies that allow Hightend to anticipate and prepare for regulatory changes. For instance, his efforts to streamline product reporting and adherence to track-and-trace requirements have resulted in Hightend's flawless compliance record. Additionally, the addition of a cannabis lounge at Hightend's Palm Springs location demonstrates an added layer of deep knowledge in regulatory compliance, as cannabis lounges require adherence to specific state and local regulations regarding on-site consumption, safety protocols, customer interactions, and neighborhood compatibility via stringent odor control and loitering protocols. This intricate understanding of compliance has enabled Sam to effectively manage real-time inventory solutions, integrate with state compliance platforms, and ensure that Hightend remains fully compliant while optimizing its operations for efficiency. By prioritizing strict adherence to regulatory standards, Sam not only ensures the business operates legally and responsibly but also fosters trust with local communities, paving the way for successful integration into the neighborhoods Hightend serves.

Market Trends and Customer Demands: With a keen understanding of the dynamic nature of the cannabis market, Sam applies data-driven insights to adapt to customer demands and market saturation. Hightend utilizes Alpine IQ for in-depth data analysis, enabling Sam to track product performance, analyze demographic data, and forecast market trends. This allows him to maintain a competitive product line that caters to a wide range of consumer needs. Having operated in Palm Springs, an area characterized by a higher degree of market saturation due to the competitive landscape, Sam has gained unique insights into how to thrive in a crowded market. His experience in Palm Springs has given him the tools to anticipate shifting consumer preferences, enabling him to tailor Hightend's offerings to remain competitive and relevant even in markets with fluctuating demand. Sam's ability to differentiate Hightend from competitors by curating a diverse product selection will be key in his approach to Santee, where his knowledge of market dynamics will allow him to strategically position the dispensary for long-term success.

Supply Chain Mastery: Sam's comprehensive knowledge of the cannabis supply chain has been a significant asset in managing a successful retail operation. By fostering strong relationships with established suppliers, Sam ensures that Hightend consistently offers top-quality products at competitive prices. His ability to streamline inventory turnover has maximized profitability while minimizing operational risks, such as product shortages or compliance issues stemming from improper inventory management. Sam's expertise in managing inventory within the regulatory framework, including the state's track-and-trace system (METRC), ensures that Hightend remains fully compliant. His mastery of sourcing logistics allows Hightend to maintain an efficient supply chain, adhering to secure storage and transportation requirements while providing a wide range of products to consumers. Moreover, Sam's strict oversight of the supply chain ensures robust safeguards against product diversion, especially to youth. His commitment to secure handling and inventory protocols further strengthens Hightend's ability to meet all regulatory standards and prevent unauthorized access to cannabis products.

Local Market Knowledge: Sam's deep connection to the City of Santee further strengthens his ability to succeed in the local cannabis retail market. With over two decades of experience owning and operating businesses in Santee, including the successful Santee Car Wash and Qwik Korner, Sam has developed an intimate understanding of the City's unique market dynamics, consumer preferences, and regulatory environment. His established relationships with local contractors, business owners, and City officials provide him with invaluable insights into Santee's business landscape, enabling him to tailor Hightend's operations to meet the community's needs. Sam's longstanding presence in Santee ensures that he is not only

equipped to comply with local regulations but is also dedicated to fostering positive relationships with the City and its residents. This local expertise, combined with his extensive knowledge of the cannabis industry, positions Hightend to seamlessly integrate into the Santee community and become a trusted, valued business in the area.

D.2.B. INDUSTRY KNOWLEDGE: COO STEVEN DALY

COO Steven Daly's knowledge of the cannabis industry has been built upon his extensive experience managing retail operations in highly regulated environments, making him a vital asset to Hightend's executive team. While Sam Charry's expertise focuses on business development and strategic growth, Steven brings a hands-on approach to managing day-to-day operations, ensuring that Hightend's facilities run efficiently and that both employees and customers benefit from a seamless, professional experience. Like Sam, Steven is also deeply committed to compliance, and together they form a team of regulatory experts, each with a unique perspective that enhances the overall operation of the business. The following sections highlight Steven's distinctive contributions to Hightend's operational expertise and the overall success of the business:

Operational Efficiency and Staff Management: Steven's deep understanding of operational logistics has been pivotal to Hightend's success. He has applied his knowledge of high-volume retail environments, drawn from years of managing convenience stores and gas stations, into streamlining Hightend's cannabis retail operations. This includes optimizing store layouts, refining customer flow, and implementing best practices in service delivery to enhance the overall customer experience. By focusing on staff training, team building, and customer service, Steven ensures that Hightend's employees are not only knowledgeable but are also ambassadors of the company's values. Steven has implemented a rigorous staff development and training program at Hightend, which includes ongoing educational opportunities, performance evaluations, and leadership initiatives that motivate and support the growth of each team member. This human-centered approach enhances employee retention and satisfaction, ultimately leading to a more consistent and engaging customer experience. His ability to cultivate a motivated workforce also allows Hightend to uphold high standards of service while ensuring that employees are well-versed in compliance and industry regulations.

Data-Driven Decision-Making: One of Steven's most significant contributions to Hightend's day-to-day operations is his use of data analytics to enhance operational efficiency. Working alongside Sam, Steven employs tools like Alpine IQ and Treez POS not only to optimize product offerings but also to improve store performance and streamline workflows. His expertise in customer behavior analytics, sales trends, and operational data helps guide inventory management, ensuring the right products are available while minimizing waste. By focusing on real-time store-level data, Steven has refined the customer experience, improved staff performance, and maximized product freshness. His operational insights allow Hightend to adjust to immediate market demands, ensuring that every aspect of the retail experience is aligned with customer needs and company goals. This operational mastery enables Hightend to remain agile and responsive in a competitive and constantly evolving cannabis market.

Compliance and Inventory Management: Steven's proficiency with compliance protocols is another key area where his expertise shines. While Sam focuses on ensuring that Hightend meets state and local cannabis regulations, Steven manages the hands-on aspects of compliance, including inventory control and reporting. By integrating real-time tracking systems, he ensures that inventory levels remain within regulatory limits and that every product is accounted for through meticulous oversight. His rigorous adherence to METRC protocols minimizes the risk of discrepancies and ensures that Hightend remains compliant with all legal requirements. Additionally, Steven's mastery of inventory management helps prevent diversion, particularly in maintaining tight controls that prevent cannabis products from being misallocated or accessed by underage consumers. His operational strategies align perfectly with Hightend's commitment to preventing youth exposure and maintaining a safe and legal retail environment.

Community and Customer Engagement: Steven's emphasis on customer engagement and community involvement rounds out Hightend's leadership team by ensuring the business is not just operationally efficient but also community-focused. Under his guidance, Hightend participates in local events, supports community initiatives, and fosters relationships with customers through educational programs. This focus on community outreach not only strengthens Hightend's presence in the local market but also solidifies the company's reputation as a responsible and engaged business.

Operational Leadership and Execution: While Sam brings the strategic vision and regulatory expertise that have laid the foundation for Hightend's success, Steven enhances the company's day-to-day operations by focusing on staff management, customer experience, and operational efficiencies. His hands-on approach to running the business complements Sam's

broader focus, ensuring that Hightend operates like a well-oiled machine from top to bottom. Together, their skills form a well-rounded leadership team that balances high-level strategic oversight with the operational precision needed to thrive in the competitive cannabis retail space. Steven's contributions, particularly in staff development, operational efficiency, and compliance, differentiate him as a leader who is not only focused on the business's growth but also its sustained excellence in customer service and community integration.

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

Hightend's incorporation of guidelines, standards and best management practices from leading oversight agencies and regulatory bodies spans all areas of operation. Working with leading industry compliance experts at Green Consulting Partners, Hightend SOPs have been developed to incorporate the most current standards of excellence in other industries that closely align with commercial cannabis, and we consistently use these standards to build on our cannabis industry knowledge. We continue to supplement our 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: Our 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 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. Hightend'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 of cannabis operations at their dispensary and lounge operation in Palm Springs.

Industry Best Practices – Age and Identification Verification: As described above, all of Hightend'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: We combine transportation, logistics and safety best 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 deliver 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 – 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, 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.

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

CEO Sam Charry maintains a bird's eye view over the entire operation to ensure compliance and business stewardship. Sam 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 real estate and retail operations in San Diego County and Santee to ensure neighborhood compatibility for Hightend and oversees any changes to the facility that are made throughout the course of operations; this includes construction, renovation and maintenance. Sam maintains current state licensing with the Department of Cannabis Control, interfaces with local officials, works with local stakeholders to implement community benefit initiatives and identifies areas of improvement for Hightend based on concrete metrics from our Alpine IQ platform. He also oversees insurance management, cash management, balance sheet analysis and all other activities that keep Hightend financially healthy and continually profitable. Sam 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 helps Hightend maintain a diverse product menu that is aligned with purchasing trends across the State. Sam builds trust with the local community, uncovers complex challenges and presents effective solutions to internal and external stakeholders, grows relationships with leading brands throughout California and drives top line revenue. His willingness to lead by example and convey expectations through actions are a unique asset to Hightend's day-to-day operations.

COO Steven Daly coordinates with leadership to implement Hightend's retail strategy and is continually looking for ways to expand Hightend's collective cannabis industry knowledge and expertise. Steven provides data and observations of sales trends to the Sales and Inventory teams to guide procurement strategies and ensure Hightend's product menu features are current and diverse. He regularly collaborates with leadership on ways to improve sales through design and layout of the 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. Steven stays current on all local and state licensing and helps Hightend 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 Hightend can focus their efforts towards other areas such as managing daily operations, increasing efficiency, building revenue, and keeping up with facility maintenance.

Legal Counsel Lina Charry helps Hightend develop organization-wide SOPs to exceed the minimum local and state requirements, stay current on all state licensing, and implements and audits SOPs to ensure ongoing compliance. Lina also has oversight on all legal matters for Hightend and ensures that all contracts and agreements are made on terms that benefit Hightend. Her day-to-day oversight of Metrc, OSHA, DCC and other regulatory compliance matters ensures Hightend can focus their efforts towards other areas such as maintaining day-to-day operations, increasing revenues, and keeping up with

facility maintenance. Additionally, Lina is focused on building out a great experience for our employees from the interview process to their first annual review and beyond. She has collaborated with leadership and our human resources partners to build out Hightend's human resources platform, hiring process, onboarding and offboarding procedures, payroll, and benefits program. Her 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. Lina also focuses on creating and maintaining a great work environment to strengthen our team's unity and overall company culture.

Chief Financial Officer (CFO) Leo Charry day-to-day responsibilities at Hightend include cash management, balance sheet analysis, insurance management and all other activities that keep Hightend financially healthy and continually profitable. Leo is the driving force of Hightend's long-term vision and business development strategies. Leo is able to analyze short-term performance and scale those numbers over the course of the coming years to help the business stay lean while increasing operational capacity and revenue. Leo works with the Human Resources and the General Manager to oversee payroll and operational expenses as well as to ensure timely payment of local, state and federal taxes. Further, as the CFO, Leo approves budgets for community campaigns targeting local outreach and neighborhood compatibility.



HIGHTEND
DISPENSARY



SECTION E: NEIGHBORHOOD COMPATIBILITY PLAN

SECTION E: NEIGHBORHOOD COMPATIBILITY PLAN

Hightend is committed to excellence in community integration and operational discretion in the cannabis industry. Our success in developing and operating a cannabis retail and lounge in Palm Springs demonstrates our capability to create a thriving business that seamlessly blends with the local community, while adhering to the highest standards of compliance and customer service. Additionally, with decades of experience in Santee, our owners have already proven their capacity to operate community-friendly businesses through ventures such as Santee Car Wash and Qwik Korner gas station and convenience store. Their longstanding presence in the community reflects a deep understanding of local values and a track record of running businesses that contribute positively to the neighborhood while maintaining a respectful and discreet operational footprint.

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 residents. Our vision extends beyond merely operating a cannabis dispensary; we aim to redefine the retail experience through an educational lens that highlights the wellness benefits and encourages responsible cannabis consumption. At Hightend, 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 fundamental priorities. With a strategic approach that favors long-term community relations and sustainable success, 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 Hightend 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 Hightend 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, Hightend 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 Hightend 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 Hightend's operations are being conducted. The following neighborhood compatibility efforts emphasize Hightend's proactive approach to engagement with the neighboring community and the larger community in the City of Santee.

E.1.A. PREVENTING NUISANCE AND 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 at our cannabis retail dispensary and lounge in Palm Springs 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 have implemented to understand the community's needs and craft the best possible Neighborhood Compatibility Plan:

Community Liaison: Ownership and management are held accountable to the community and are willing to implement changes to ensure good neighbor policies are upheld. A designated manager is always available during business hours to monitor employee performance, patron conduct, and compliant facility operations. Having a well-known and trusted local

figure at the forefront of our business strengthens trust and approachability within the community, which is why CEO Sam Charry will serve as our Community Liaison. In addition to his local connection to Santee as a long-term business owner, Sam's experience in commercial cannabis retail operations and his dedication to running a socially responsible business make him the ideal person to work directly with community members. As the Community Liaison, Sam is available via phone, email, or in person 24 hours a day, 7 days a week for citizens to voice their concerns regarding our operations. His contact information is provided to all neighbors within 500' of the facility, five times the minimum requirement promulgated by SMC 7.04.460. Contact information is also conspicuously posted in a visible font size on the main entry doors to our premises, and management ensures that any complainants or inquirers are provided with his contact information. Hightend ensures the Community Liaison's contact information is accessible on our website, marketing materials, and technology platforms, and is available to any individual upon request. Should a new individual be designated as the Community Liaison, the City Manager will be notified with updated contact information within 24 hours.

Hightend Open House: We plan to host an Open House to integrate into the local community and establish rapport with our neighbors. The Open House will help us connect with key community members, local business owners, regulators, and other important figures who contribute to making Santee the thriving community it is today. Attendees will receive a guided tour of our facility and property, be walked through our neighborhood compatibility strategies, and be encouraged to share feedback on our operations and how we fit into the local landscape. Inviting local figures such as council members and business leaders will further cement our relationship with the community and allow us to develop long-term partnerships.

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. Hightend's ownership, boasting a combined 40+ years of experience in commercial cannabis operations and other highly regulated industries, including real estate development and alcohol and tobacco sales, is uniquely positioned to ensure that its cannabis business in Santee operates without becoming a nuisance to neighbors or the surrounding community. Hightend's team track record of fostering economic growth, managing high transaction volumes, and maintaining a commitment to professionalism and operational excellence 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. As long-standing, integral members of the Santee business community, Hightend's owners bring with them a deep understanding of local values and are well-positioned to contribute positively to the neighborhood's continued growth and well-being. By leveraging their comprehensive expertise, connection to the City, and commitment to compliance and community welfare, Hightend 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.

Sustainability: Our views of neighborhood compatibility and preventing adverse impact on the community includes sustainability measures to prevent excessive emissions generation stemming from our commercial cannabis operations that harm the community over time and inhibit Santee's ability to combat the current climate crisis. This includes the hybrid and electric delivery vehicles, the exploration of solar power for our business, water conservation, electric vehicle charging stations in our parking area, public transportation vouchers for employees and customers, best practices for non-cannabis waste management product procurement standards and much more. To audit and evaluate our performance with respect to sustainability, we submit an Annual Benchmark Summary to the City Manager and the Environmental Sustainability Department using the US Environmental Protection Agency's ENERGY STAR Portfolio Manager. This involves the collection and inputting of energy usage data into the ENERGY STAR platform on a monthly basis and verification of this information by running the Portfolio Manager's "Data Quality Checker" or equivalent as approved by the City. Energy usage data will be made available through the Portfolio Manager in the form of a reporting hyperlink provided to the City Manager and any other local agencies. We will also submit an Annual Statement of Sources of Electricity, which includes identification of the electricity provider, the type of product procured and, if applicable, a description of onsite renewable energy generation and an Annual Energy Benchmark Summary on an annual basis no later than March 1st of each year. We will continue to develop new environmental initiatives with respect to renewable energy over time and involve City officials in any considerations we make.

E.1.B. PROACTIVELY ADDRESSING AND 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 Hightend the opportunity to work directly with the City and engaged

citizens to address any concerns prior to opening the Dispensary. Our experience is that the most conscientious members of the community make their concerns heard during this process; Hightend prides itself in being able to collaborate with community members to adapt our proposed plans in a manner that best acclimates to the surrounding community. Upon operations commencement, Hightend handles complaints regarding noise, light, odor, vehicle and pedestrian traffic immediately through the Community Liaison, who is the facility's direct link to the community and is responsible for all public relations. As described above, the Community Liaison's contact information is provided to all neighbors within 500 ft of the facility. Our Community Liaison 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 Liaison's contact information to law enforcement, and they maintain open lines of communication with city administrators, media, and concerned citizens to handle Hightend's community affairs. They spearhead Hightend's community outreach and coordinate participation in community events and charitable efforts. Our Community Liaison represent the facility at industry conventions and educational seminars. The Community Liaison works with the facility to make sure operations correspond to the adopted ethos of Hightend as a good neighbor to the community and value-add partner to the city. The Community Liaison also keeps detailed logs of citizen and community feedback concerning operations to ensure Hightend'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 Budtenders 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.

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. Hightend works with an 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.

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 rear area of the facility and do not interfere with on traffic on Fanita or Mission Gorge Rd 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 all hours of operation to ensure that there are no parking problems and to direct 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 months. 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. Hightend 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: 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. Hightend's burglary and robbery protocols focus on protecting assets, preventing unauthorized entry, and

detering crime from the outset. All Hightend 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 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 graffiti or derogatory markings. The parking lot and adjacent buildings on the property 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 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 adjacent buildings on the property 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 Mission Gorge Road and Fanita Drive, 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 Hightend is committed to preventing the occurrence of public nuisances related to these 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).

E.2. YOUTH PROTECTION PLAN

We understand the sensitive nature of youth exposure to cannabis and the potential harm it may have on a given community's youth population and are committed to uphold Santee's pride in their school systems and youth development. 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, Hightend 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 licensed cannabis retail and lounge business in Palm Springs. We have scouted the immediate neighborhood surrounding our proposed location at 9035 Mission Gorge Rd 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 a 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 80% 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 to 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 Budtenders who have been designated as Verification Specialists to check customers into the facility. Budtenders 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 qualified individuals gain access to the facility. By being subjected to ID verification upon entrance, at check-in, and upon checkout, Hightend 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 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 consumed by minors. If we receive 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. 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 Treez 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 Treez 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 Budtenders to observe the store for these customers. Verification Consultants are also trained to recognize these high-risk customers. If a Budtender 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 plan 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 to cannabis at Hightend facilities; and (5) Conduct regular community outreach to hear community member concerns on youth cannabis use and Hightend'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 Hightend Open House and our Grand Opening. We reach out to the local Parent Teacher Association (PTA) 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 Liaison 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 development of educational materials that are designed for parents to prevent 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 potential 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. Hightend 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, Hightend 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. Hightend 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 are also collaborating 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 distinct nuance of providing education to youth without directly being able to interact with them at our facility. D.A.R.E. will be an ongoing partner of Hightend 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 Hightend'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 one of 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.



HIGHTEND
DISPENSARY



**SECTION F: COMMUNITY
BENEFITS AND INVESTMENT
PLAN**

SECTION F: COMMUNITY BENEFITS AND INVESTMENT PLAN

Hightend is dedicated to becoming an integral part of the Santee community, embracing and contributing to its distinct identity characterized by a warm climate, excellent education, and a welcoming, small-town ambiance. Leveraging over a years of collective expertise in commercial cannabis operations, real estate development, and retail sales, Hightend is poised to integrate thoughtfully into Santee's existing social fabric and character. Our Community Benefits and Investment Plan outlines targeted initiatives, policies, and outreach efforts designed to enhance the quality of life for Santee residents, emphasizing 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 our owners' keen understanding of Santee's needs and a strategic approach to community benefits, Hightend 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, equity, and sustainable local development. Hightend looks forward to the opportunity to introduce our responsible, community-first cannabis retail business model to Santee and to become an integral part of this great city's future.

F.1. COMMUNITY AID

Since its establishment in Palm Springs, Hightend has been deeply committed to being a responsible and engaged community partner. Our initiatives have included annual community clean-up events, sponsorship of local arts and cultural festivals, participation in the local Chamber of Commerce and business improvement district activities, hosting educational seminars on cannabis and its medical applications, and supporting local substance abuse prevention and treatment programs. Additionally, we have volunteered at local food banks and homeless shelters. These initiatives reflect our dedication to improving the social, cultural, and economic health of the communities we serve.

Our support of the local community is exemplified by the direct aid, participation in, support and funding of local organizations and their respective causes. Embracing our role as community partners from the outset, ***we pledge one percent (1%) of gross receipts to local non-profits, community-based organizations, civic organizations, and social services organizations who are also working to help the City accomplish its goals and facilitate a better, more prosperous Santee. We are also committed to a six percent (6%) contribution of gross revenue directly to the City.*** We recognize that Santee has its own unique community needs and are currently exploring partnerships with local organizations, programs, and events to offer sponsorships and financial support. This includes community events such as fairs, after-school programs, youth centers, local schools, school athletic programs, school clubs, community centers, homeless shelters, senior centers, and parks and recreation programs. By tailoring our approach to Santee, we ensure that our contributions align with the City's most pressing goals and support the well-being of its residents.

Core Pillars of Community Contribution: Hightend's Community Benefits and Investments Plan is guided by several core thematic principles, which shape our initiatives:

- **Social Equity:** We are committed to addressing the historical injustices of cannabis prohibition and promoting equitable opportunities within the cannabis industry.
- **Public Health and Wellness:** We prioritize educating the community about responsible cannabis use and supporting initiatives that promote overall health and wellness in the community.
- **Education:** We focus on providing accurate, science-based information about cannabis to destigmatize its use and promote informed decision-making.
- **Community Development:** We invest in local initiatives that strengthen our community, from supporting arts and culture to participating in neighborhood improvement projects.
- **Environmental Sustainability:** We strive to minimize our environmental impact and support local sustainability efforts.
- **Economic Empowerment:** We aim to contribute to local economic growth through job creation, partnerships with local businesses, and support for entrepreneurship.

- **Harm Reduction:** We support programs that focus on substance abuse prevention and treatment, recognizing the importance of responsible use and community health.
- **Homelessness and Poverty Alleviation:** We engage in initiatives that address homelessness and poverty in our community, recognizing these as critical local issues.

These principles form the foundation of our ongoing community engagement and guide our decision-making regarding financial contributions, volunteer efforts, and event sponsorship. Furthermore, Hightend is committed to weaving these core pillars—social equity, public health, education, sustainability, economic empowerment, and community development—into the fabric of Santee’s Mission, Vision, and Values. The City’s Mission focuses on providing quality services and programs to promote economic prosperity, safety, social well-being, and a healthy environment. Santee’s Vision aims to foster a dynamic and progressive City where family, community, and diversity are embraced. The City’s Values emphasize accountability, innovation, integrity, professionalism, and commitment. By aligning our initiatives with these fundamental goals, Hightend seeks to not only contribute to Santee’s ongoing success but to create a meaningful, lasting impact that supports the well-being of the community and enhances the City’s thriving culture.

Partner Organizations: Our partnerships reflect our commitment to the long-term success of the communities in which we operate. In Palm Springs, our key partner organizations include the Palm Springs Chamber of Commerce, the Palm Springs Art Museum, Well in the Desert (a local homeless support organization), and Friends of the Palm Springs Animal Shelter. We intend to build similar partnerships in Santee to support local causes and initiatives that align with our community-focused mission.

Chamber of Commerce Membership: As a long-standing member of the Santee Chamber of Commerce, CEO Sam Charry has already cultivated deep relationships within the local business community. His involvement enables Hightend to not only engage with local stakeholders but also contribute meaningfully to the City’s priorities. With Sam’s established network and active participation, Hightend’s proposed operations will benefit various local non-profits, civic organizations, and social-service-based groups. Our continued collaboration with the Chamber ensures that we can directly support the City’s most pressing goals, rather than offering donations or volunteer hours that may not align with the community’s immediate needs. This partnership is a core component of our Community Benefits and Investments Plan, ensuring we have a lasting and positive impact on the quality of life in Santee, 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, Hightend 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 **30 paid volunteer hours annually** for each of our employees. **At full capacity of 16 employees, this results in 480 volunteer hours contributed by staff on an annual basis.** Employees are compensated at their respective rates for all paid volunteer hours. This equates to nearly 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 for our team members to contribute paid volunteer hours to.

City Manager Meetings: Our planned 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, as well as to create an avenue to improving our operations and establishing 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. Sam Charry has been designated as our Community Liaisons due to his experience in the community. We are confident in his 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.

Community Events: In addition to donations of funds and volunteer hours to local organizations, our Community Benefits and Investment Plan features Hightend-hosted events that provide education about cannabis, facilitate equity 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.

Expungement Clinics: We plan to host expungement clinics in partnership with local law firms, which are critical in assisting community members with qualifying cannabis convictions. These clinics guide individuals through the legal process to clear their records, effectively reducing long-term socioeconomic disadvantages and supporting their journey toward social and economic rehabilitation in Santee. This multi-faceted approach demonstrates our deep investment in not only the business sphere but also in the fabric of the community's well-being.

F.2. MINIMUM WAGE

Hightend is committed to providing a living wage to make an immediate economic impact in Santee. Financial empowerment stands at the core of our labor and employment practices. We pay all employees' wages over 200% of the Federal Poverty Level and meet local living wage rates. According to 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. ***Hightend compensates full-time hourly employees at or above \$21.00/hr (\$43,827 for 2,087 hours worked annually)*** to exceed compensation of over 200% of the Federal Poverty Level. Hightend's compensation plan meets these guidelines to economically empower our staff. We start all employees at a minimum wage of \$21.00/hour. Front end staff including Budtenders receive this base wage in addition to gratuities and other allocations that bring hourly compensation in line with 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: Hightend is committed to our employees and believes all staff should be provided with opportunities for advancement within our company. These opportunities not only bolster our employees' overall career trajectories, but importantly, they give employees the opportunity for heightened pay well beyond the living wage standard. Not only do we seek to promote 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 must have worked in their current position/pay rate for at least six months at the time of performance reviews to qualify for a performance-based promotion or raise.

F.3. LOCAL OUTREACH

Hightend is committed to local hiring in Santee and will strive to hire exclusively Santee residents to consolidate job opportunities in the City. Local hiring efforts are executed to improve economic outcomes for members of disenfranchised and targeted communities. 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. 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.

Providing Opportunities for Diversified and High-Paying Jobs for Santee Residents: Local hiring is imperative to Hightend'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 that reflects the communities' diverse demographic has also been demonstrated through their cannabis retail venture at Hightend Palm Springs where 70% of our workforce is comprised of local residents, with over half identifying as people of color and several as members of the LGBTQ+ community. We seek to replicate and exceed this success in Santee by focusing on hiring from within the city and surrounding areas to support a diverse and well-represented staff. To that end, ***Hightend is committed to maintaining at least 66% of total annual payroll hours being performed by Santee residents***, across all levels of the organization, including managerial positions. We recognize the importance of representing the local community and prioritizing diversity in our hiring practices to reflect the demographic composition of the area. Hightend will continue to implement inclusive hiring strategies, described below, that seek candidates from non-traditional sources, ensuring a workforce that enhances the diversity of our business and the local economy.

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 through the local chamber of commerce, as well as 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, our Community Liaison 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 Hightend highlight diversity and encourage everyone, regardless of race, color, religion, national origin, ancestry, sex, disability or age, to apply for employment. Hightend 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, Hightend 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

In addition to direct financial aid to the local community, we are also proposing a Community Benefits Agreement between Hightend and the City of Santee that allows for contributions of Hightend revenue to be specifically allocated not only to City causes that have been identified within this plan, but also to other organizations and projects that develop over the term of our relationship with the City. To this end, ***we are proposing a direct fee of 6% of gross receipts being allocated to the City as a direct fee***. The 6% of gross receipts will be allocated to provide the City additional revenue toward building the General Fund, spending towards General Fund-designated initiatives, or any other financial allocation that the City deems appropriate. Based on our conservative projections outlined in our Business Plan, Hightend expects up to \$2M to be contributed to the city and local organizations through our 6% direct fee to the city and 1% of gross revenues being committed to local non-profits and organizations. Our overall commitment to the City of Santee is unwavering and we view this contribution as a way to invest in the improvement of a community which we intend to make our home.



HIGHTEND
DISPENSARY



SECTION G: PROPOSED SITE PLAN

SECTION G: PROPOSED SITE PLAN

G.1. EXISTING SITE

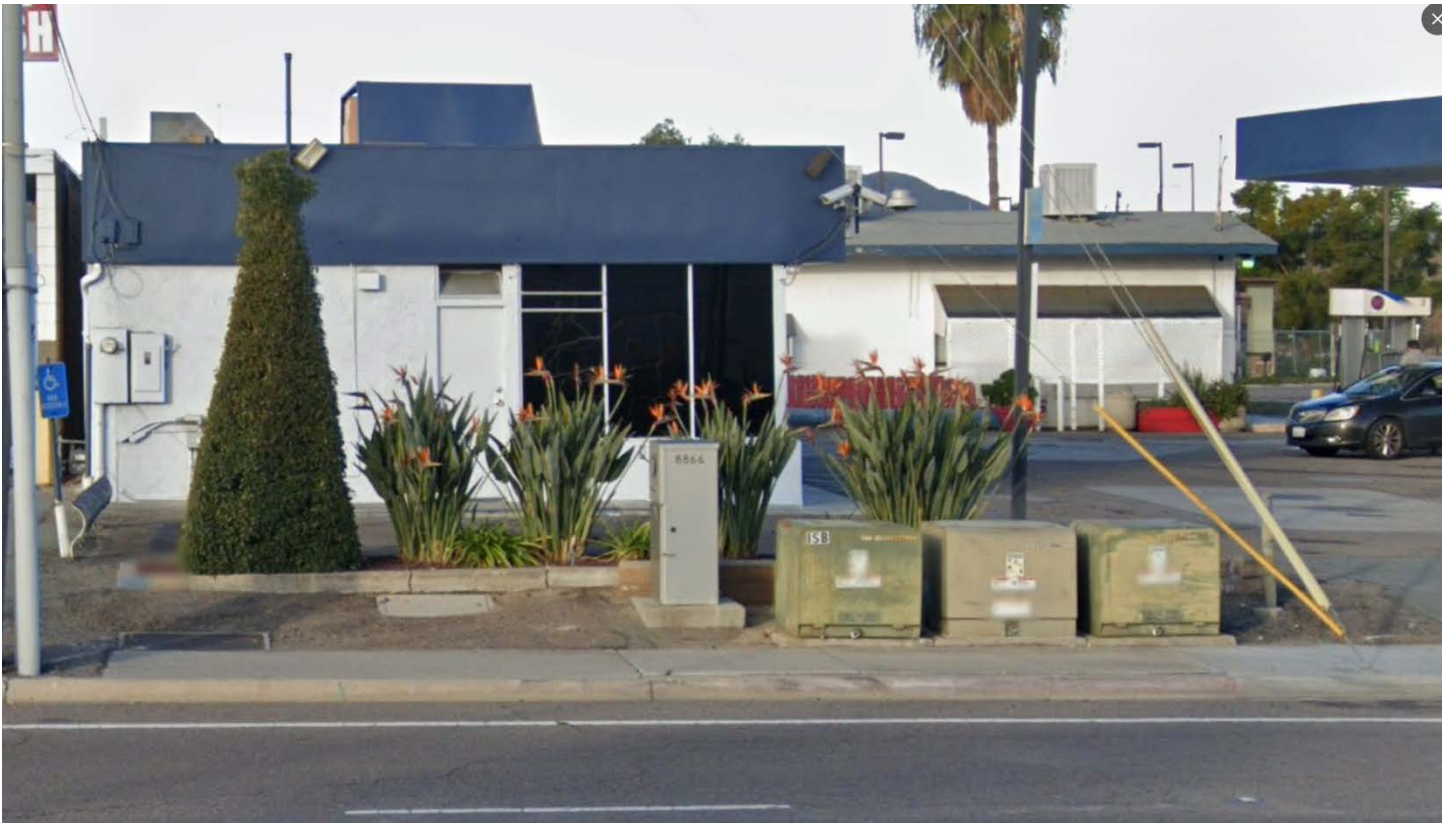
G.1.A. PHYSICAL ADDRESS

Hightend's proposed location of 9035 Mission Gorge Ave. Santee, CA 920171 and is located on the far West side of Santee.

G.1.B. NARRATIVE DESCRIPTION OF EXISTING SITE

The proposed site is situated at the corner of Mission Gorge Road and Fanita Drive, currently operating as a convenience store. It shares the lot with a gas station to the north and a standalone commercial building located to the east. To the south, an adjacent parcel functions as a car wash. Both the proposed site and the adjacent parcel are owned and operated by Hightend's CEO, Sam Charry, who has maintained both properties with beautiful, drought-resistant landscaping. Positioned on one of the city's main thoroughfares, Mission Gorge Road, the site provides convenient access across Santee. The facility benefits from excellent visibility due to its prime location next to the traffic signals at the corner of the property and drivers have direct access to the site from either Mission Gorge Road or Fanita Drive. Additionally, its proximity to the 834 bus stop located across the street on Mission Gorge Rd. enhances accessibility for mass transit users, contributing to increased foot traffic, and well-maintained sidewalks along eastbound Mission Gorge Road and both sides of Fanita Drive provide easy pedestrian access to the site, particularly for residents living just a five-minute walk away on the other side of CA-52. The site is accessible by two driveways, one on Fanita Dr. and the other on Mission Gorge Rd., both of which offer ingress and egress to the premises.

G.1.C. PHOTOGRAPHS OF EXISTING SITE





G.1.D. CURRENT USE OF THE SITE

The existing building is currently occupied by Qwik Corner, which functions as a convenience store and is collocated with a gas station on the same lot.

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

Qwik Corner convenience store and gas station are operating on the parcel. The Santee Car Wash is operating on the adjacent parcel to the South. Busy Bee's Locksmith and Toyota Certified Center of Santee are operating on parcels across Fanita Dr to the East.

G.2. PROPOSED SITE

The Proposed Site Plan can be found on the following page.

G.2.A. SITE PLAN



G.2.B. DESCRIPTION OF PROPOSED SITE IMPROVEMENTS

Our proposed site improvements will transform the a portion of a existing convenience store property that contains an existing gas station and convenience store into a beautifully remodeled, state-of-the-art cannabis retail storefront. The convenience store on the Southern portion of the property will be modified into the cannabis retail storefront while preserving the gas pumps and canopy to maintain existing gas station operations on the other portion of the lot. No improvements to the existing gas pumps and canopy are required, as they are in excellent condition. This development will not only complement the natural features of the surrounding area but also elevate the aesthetic and real estate value of this growing community. The improvements include a complete façade facelift with brand new stucco being applied to the entire exterior of the building. Dual pane, shatter-resistance windows will be installed throughout the exterior to provide noise reduction and bolster the site's overall security. Exterior improvements also include a new coat of paint in a neutral color palate with a dark trim that features Hightend's logo and approved signage. The convenience store will be relocated to the commercial building that occupies the west side of the parcel, ensuring the residents have easy access to necessary sundries they have been accustomed to at this location. In addition to a total remodel of our proposed site, we are incorporating several site improvements that will not only aesthetically enhance the property but also provide ease of access, safety and environmentally friendly features. These improvements will seamlessly blend with the area's landscape and contribute positively to its continued development. The following site improvements include:

the overall site will get a needed renovation that will modernize the entire lot and provide an immediate improvement on this heavily trafficked intersection.

Sustainable Landscaping: Additional landscaping will be added along the perimeter of the building, incorporating drought-resistant plants to further beautify the site and harmonize with the natural surroundings. The existing landscaping bays will be re-sprinklered with low-drip irrigation to support the San Diego County native landscaping. Aloes and agaves will be complemented by two mature Jacaranda trees that will offer a pop of color during their bloom season. Implementing drought tolerant landscape is a testament to our Sustainability practices in addition to ensuring our site provides an immediate aesthetic impact on the surrounding neighborhood.

Enhanced Signage: We will install modern, aesthetically appealing signage that blends seamlessly with the surrounding environment, enhancing the business's visibility without detracting from the natural beauty of the area. All signage will be submitted to the City's planning department for approval before installation. The halo-lit signage will provide additional supplemental lighting at night, which will further illuminate the site for security purposes as well as creating a visual impact on Fanita Dr. and Mission Gorge Rd. during the evening hours.

Bicycle Racks: We will install secure bicycle racks to encourage eco-friendly transportation options for customers. Bike racks are another aspect of our Sustainability commitments, which include providing discount programs to customers who utilize alternative transportation methods that help us achieve our goal of lowering the carbon footprint of our business and its customers.

G.2.C. DEPICTIONS OF THE PROPOSED SITE



G.3. IMPACTS ON THE SURROUNDING AREA

The proposed establishment and operation of Hightend's cannabis retail facility will significantly elevate public health, safety, welfare, environmental quality, and the overall quality of life in the surrounding area. As a long-standing business owner in Santee, Hightend's CEO, Sam Charry, brings extensive local knowledge and a proven track record of fostering

positive community impact. With experience in both Santee's local business ecosystem and successful cannabis retail operations in Palm Springs, Hightend's leadership has consistently contributed to substantial economic growth and community engagement. Notably, their Palm Springs cannabis retail location has generated over \$582,000 in tax revenue, directly benefiting the local economy. The combination of their hands-on community involvement, their commitment to responsible retail practices, and their proactive approach to local needs ensures that Hightend's new operation will bring lasting benefits to Santee. Below is a 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 with the necessary tools and resources to make informed decisions about cannabis use, 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.

Safety: A growing body of research suggests that public safety outcomes improve drastically in areas where 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 Charry's Santee commercial businesses as well as at our Hightend dispensary and lounge in Palm Springs. 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 put them in the best possible position to succeed. Between these elements of our Labor and Employment and Security Plans, and the vigilance of our operations, we are confident Hightend's presence will 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 13 new positions available and \$772,167 in payroll upon initial opening and 16 positions and \$903,648 in payroll at full capacity, which will substantially improve the socioeconomic status and purchasing power of Santee community members employed by Hightend. 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. We also anticipate upwards of \$2M in financial contributions being allocated to the city over our first three years of operations based on 6% of revenue from gross receipts allocated to the City and 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 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 Hightend'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 drip irrigation, energy-efficient lighting fixtures in the facility and parking lot, designated bike parking, and incentives for public transportation are just some of these business practices that are incorporated to promote environmental quality and sustainability. Hightend owners will also play a significant role in tenant improvements and overall facility design that enhances the environment in this developing business corridor.

Quality of Life: Quality of life is a comprehensive measurement of community members' satisfaction and ability to function in an organized society and their immediate surroundings. Political, social, economic, and other factors contribute to community members' quality of life, spanning from disposable income to health outcomes and everything in between. The socioeconomic and environmental implications of the commitments outlined above and throughout Hightend's application

all evidence a concerted commitment to improving the quality of life of not only our customers, but the entire Santee community whether it be in the form of job security our employees, site upgrades and aesthetic improvements in our neighborhood, improved environmental outcomes that provide a better future for Santee, convenient access to cannabis products that provide wide-ranging health benefits to our customers, and everything in between. Hightend owners have already contributed immeasurably to the quality of life in Santee and the Greater San Diego Area, and we look forward to building upon their success in Santee to accomplish Hightend's organizational quality of life goals and deliver on our commitments to the Santee community, its residents, and its stakeholders.



HIGHTEND
DISPENSARY



2. FINANCIAL RESPONSIBILITY, INDEMNIFY 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: 10/22, 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.

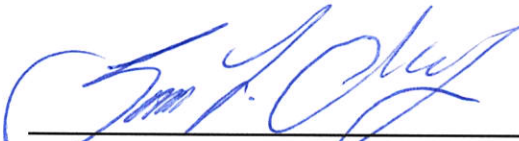
After review and consideration of all of the foregoing terms and conditions, I agree to be bound by and to fully and timely comply with all of the foregoing terms and conditions, and the attached "Agreement on Limitations of City's Liability, and Certifications, Assurances Warranties and Indemnification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

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

Applicant(s)/Owner(s):

Sam Luke Charry

Printed Name


Signature


Lina S. Charry

Printed Name


Signature

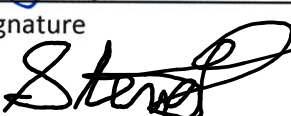
Leonardo S. Charry

Printed Name


Signature

Steven Daly

Printed Name


Signature

Printed Name

Signature



3. 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.

 Sam Luke Charry - CEO
Applicant Signature Printed Name and Title

OC Coast Inc. 9035 Mission Gorge Rd Santee CA 92071
Name of Business Entity Address of Permitted Location

10/22/2024
Date

Applicant Signature Printed Name and Title

Name of Business Entity Address of Permitted Location

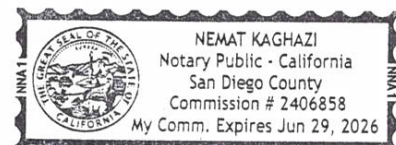
Date

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

State of California
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 22 day of October, 2024, by Sam Charry, 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

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.

Steven Daly Steven Daly - General Manager
Applicant Signature Printed Name and Title

OC Coast Inc. 9035 Mission Gorge Rd Santee CA 92071
Name of Business Entity Address of Permitted Location

10/22/24
Date

Applicant Signature Printed Name and Title

Name of Business Entity Address of Permitted Location

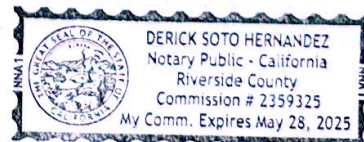
Date

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 Riverside

Subscribed and sworn to (or affirmed) before me on this 22nd day of October, 2024, by Steven Daly, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature *Derick Soto Hernandez* (Seal)



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

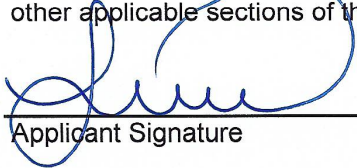
E. PROSECUTION UNDER FEDERAL LAW

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

Lina Charry - Secretary/Legal Counsel
Printed Name and Title

OC Coast Inc.

Name of Business Entity

9035 Mission Gorge Rd Santee CA 92071

Address of Permitted Location

10/22/24
Date

Applicant Signature

Printed Name and Title

Name of Business Entity

Address of Permitted Location

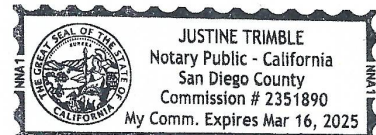
Date

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 22 day of October, 2024, by Lina Charry, 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

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.

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E. PROSECUTION UNDER FEDERAL LAW

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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.

Leonardo Charry
Applicant Signature

Leonardo Charry - CFO
Printed Name and Title

OC Coast Inc.
Name of Business Entity

9035 Mission Gorge Rd Santee CA 92071
Address of Permitted Location

10/22/24
Date

Applicant Signature

Printed Name and Title

Name of Business Entity

Address of Permitted Location

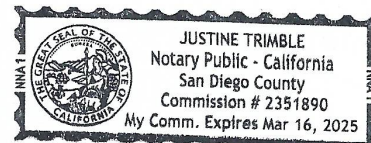
Date

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 22 day of October, 2024, by Leonardo Charry, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature Justine Trimble (Seal)



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



HIGHTEND
DISPENSARY



**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:

9035 Mission Gorge Rd Santee CA 92071
Street City State Zip
383-121-49-00
Accessor Parcel Number (APN)

and that the information filed is true and correct to the best of my (our) knowledge. I/We, as the owner(s) of the subject property, consent to the filing of this application and use of the property for the purposes described herein. I/We further consent and hereby authorize City representative(s) to enter upon my property for the purpose of examining and inspecting the property in preparation of any reports and/or required environmental review for the processing of the application(s) being filed.

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

☒ 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 OC Coast Inc.
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):

Lemon Grove Ultra Mart Inc.

PRINTED NAME OF PROPERTY OWNER(S)

SIGNATURE OF PROPERTY OWNER(S)

PRINTED NAME OF PROPERTY OWNER(S)

SIGNATURE OF PROPERTY OWNER(S)

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

Subscribed and sworn to before me this 22 day of October, 2024, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me Sam Chetty.

***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.

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

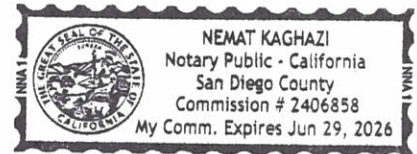
County of SAN DIEGO

Subscribed and sworn to (or affirmed) before me on this 22 day of OCTOBER,
2024, by SAM CHARRY

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

PROPERTY OWNER CONSENT

(Title of document)

Number of Pages 2 (Including jurat)

Document Date 10/22/2024

LANDLORD AFFIDAVIT

(Additional Information)

CAPACITY CLAIMED BY THE SIGNER

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



HIGHTEND
DISPENSARY



6. PROOF OF INSURANCE/LETTER OF INSURABILITY



[HUB International](#)

1525 Faraday Ave, Suite 150

Carlsbad, CA. 92008

hubinternational.com

**OC Coast, Inc. DBA:Hightend
3395 N. Indian Canyon Dr.,
Suite A.
Palm Springs, CA 92262**

Dear Steven,

We are pleased to confirm that HUB International is willing and able to provide insurance coverage for your potential new cannabis retail location in Santee.

We offer a variety of coverage options, including general liability, property insurance, product liability, and more, designed specifically to address the unique needs of cannabis businesses.

Our team has extensive experience in providing insurance solutions for cannabis operations, ensuring that our clients receive tailored coverage that supports their business goals.

Additionally, we guarantee that our coverage will meet or exceed the requirements set forth by the City of Santee and the State of California for cannabis businesses.



Diana Bergman-Vice President

Diana Bergman

Commercial Lines

HUB International Insurance Services, Inc.

Phone: 760 707-5638

Email:

Diana.bergman@hubinternational.com



HIGHTEND
DISPENSARY



7. PROOF OF CAPITALIZATION



Neighborhood National Bank

Oct 17, 2024

To Sam Charry,

This letter verifies that S&R General Partnership has an account with Neighborhood National Bank.
Following are the records of the accounts.

Type of Bank Account: Business Checking

Account number: [REDACTED] 544

Average Balance: [REDACTED]

Date Opened: 02/15/2017

Type of Bank Account: Business Checking (EFT)

Account number: [REDACTED] 551

Average Balance: [REDACTED]

Date Opened: 02/15/2017

If you have any questions, please contact me at 619-462-1253

Sincerely,

Jeanie Nofuente
Branch Manager

2987 Jamacha Road
El Cajon, CA 92019
Tel: (619) 462-1253
Fax: (619) 462-2752

www.mynnb.com



Neighborhood National Bank

Oct 17, 2024

To Sam Charry,

This letter verifies that Casa De Oro Liquor has an account with Neighborhood National Bank. Following are the records of the account.

Type of Bank Account: Business Checking

Account number: [REDACTED] 879

Average Balance: [REDACTED]

Date Opened: 06/21/2005

If you have any questions, please contact me at 619-462-1253.

Sincerely,

Jeanie Nofuente
Branch Manager

2987 Jamacha Road
El Cajon, CA 92019
Tel: (619) 462-1253
Fax: (619) 462-2752

www.mynnb.com



Neighborhood National Bank

Oct 17, 2024

To Sam Charry,

This letter verifies that La Posta Market #2 has an account with Neighborhood National Bank. Following are the records of the account.

Type of Bank Account: Business Checking

Account number: [REDACTED] 436 (EFT Account) / [REDACTED] 428 (Sweep Account)

Average Balance: [REDACTED]

Date Opened: 09/29/2004

If you have any questions, please contact me at 619-462-1253

Sincerely,

Jeanie Nofuente
Branch Manager

2987 Jamacha Road
El Cajon, CA 92019
Tel: (619) 462-1253
Fax: (619) 462-2752

www.mynnb.com



HIGHTEND
DISPENSARY



8. ZONING VERIFICATION LETTER


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...

OC Coast Inc_ZVL Request Form.pdf

Size: 1.27 MB

Remove



Evidence of Legal Parcel

OC Coast Inc_Evidence of Legal Parcel.pdf

Size: 434.34 KB

Remove

Evidence of Legal Parcel ▾

Add Attachment

Supported: .pdf, .jpg, .png, .jpeg, .doc, .docx, .xlsx

Apply for Plan - Cannabis Zoning Verification Letter

REQUIRED



Submit

Basic Info

Type

Cannabis Zoning Verification Letter

Description

I am submitting this formal request on behalf of OC Coast Inc DBA Hightend for a Zoning Verification Letter for the property and existing building located at 9035 Mission Gorge Rd Santee, CA 92071 (APNs 3831214900) as part of the commercial cannabis application process.

Applied Date

10/23/2024

Contacts

Applicant

Steven Daly
9035 Mission Gorge Rd , 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



ONLINE SERVICES
PERMITS | PROJECT SUBMITTALS | LICENSES

Steven Daly ▾  1

- Dashboard
- Home
- Service Requests
- Apply
- My Work
- Today's Inspections
- Map
- Fee Estimator
- Pay Invoice
- Search 

[◀ Back](#)

Shopping Cart

Total \$267.00
[Check Out](#)

Invoice: [INV-00006982](#)

Due Date: 11/22/2024

Description: ZVL-2024-0025

Case Number	Project	Case Address	Amount Due
ZVL-2024-0025			\$267.00

\$267.00

[Remove](#)

[Top | Main Menu](#)

Total \$267.00
[Check Out](#)



Santee, CA
Order Number: 10892
Wednesday, October 23, 2024

Invoice #	Item Description	Quantity	Unit Price	Total Price
INV-00006982	ZVL-2024-0025	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:
Visa ending in 6099

Pay Now - \$275.01

Cancel



ONLINE SERVICES

PERMITS | PROJECT SUBMITTALS | LICENSES

Steven Daly ▾



[Dashboard](#)

[Home](#)

[Service Requests](#)

[Apply](#)

[My Work](#)

[Today's Inspections](#)

[Map](#)

[Fee Estimator](#)

[Pay Invoice](#)

[Search](#)



Payment Received!

My Work

MY INVOICES MY PLANS

Search...		Display Pending ▾		Export to Excel	
Plan Number	Project	Address	Plan Type	Status	State
ZVL-2024-0025			Cannabis Zoning Verification Letter	Submitted - Online	Attention, Recent, P (Unpaid Fees)
					Showing 1 records.

Plan Number: ZVL-2024-0025

Plan Details | Tab Elements | Main Menu

Type: Cannabis Zoning Verification Letter

Status: Submitted - Online

Project Name:

IVR Number: 3155

Applied Date: 10/23/2024

Expiration Date:

District: _Santee

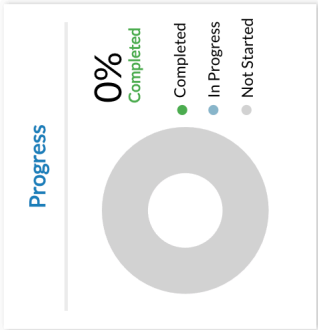
Assigned To: Lindebrekke, Rachael

Completion Date:

Description:

I am submitting this formal request on behalf of OC Coast Inc DBA Hightend for a Zoning Verification Letter for the property and existing building located at 9035 Mission Gorge Rd Santee, CA 92071 (APNs 3831214900) as part of the commercial cannabis application process.

- Summary
- Locations
- Fees
- Attachments
- Contacts
- Sub-Records



Fees

Workflow

Available Actions

No Actions