



COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION (Retail Applications)

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

APPLICANT (ENTITY) INFORMATION

Applicant (Entity) Name: TD Santee Inc. DBA: Santee Holistics

Physical Address: 10671 Roselle St #202 San Diego CA 92121
Street City State Zip

Primary Contact: Douglas Gans Title: Chief Operating Officer

Mailing Address: 10671 Roselle St #202 San Diego CA 92121
Street City State Zip

Phone Number: 619-818-4555 Email: dgan9@aol.com

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

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

Business Formation: Describe how the business is organized.

☐ Sole Partnership ☒ Corporation ☐ S-Corporation ☐ Limited Partnership ☐ Limited Liability Company
☐ Other (please describe): _____

PROPOSED LOCATION

Property Owner Name: Cozza Properties, LLC c/o Frank Cozza

Proposed Location Address: 10017 Prospect Ave. Santee CA 92071
Street City State Zip

Property Owner Phone Number: 619-222-6487 Email: [REDACTED]

Zoning Clearance Letter : ☒ Yes ☐ No Zoning Request submitted on September 16, 2024, ZVL-2024-0011

Assessor's Parcel Number (APN): 3841800100; parking for building available also on 3841800200

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.

Background information is
included as required?

☒ Yes ☐ No

Ownership % 50

Owner Name: Tony Hall Title: Chief Executive Officer

Address: 6549 Mission Gorge Road, #265 San Diego CA 92120
Street City State Zip

Signature: Ty Hall 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.

Background Information is
included as required?

☒ Yes ☐ No

Ownership % 50

Owner Name: Douglas Gans Title: Chief Operating Officer

Address: [REDACTED] [REDACTED] [REDACTED] [REDACTED]
Street City State Zip

Signature: DG 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.

Background Information is
included as required?

☐ Yes ☐ No

Ownership % _____

Owner Name: _____ Title: _____

Address: _____
Street City State Zip

Signature: _____ Date: _____

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

Background information is
included as required?

☐ Yes ☐ No

Ownership % _____

Owner Name: _____ Title: _____

Address: _____
Street City State Zip

Signature: _____ Date: _____

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

SUPPORTING INFORMATION

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

TD Santee Inc. will file a DBA in San Diego County to operate as "Santee Holistics" upon selection by the City.

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.

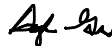
Under penalty of perjury, I hereby declare that the information contained in within and submitted with the application is true, complete, and accurate. I understand that a misrepresentation of the facts is cause for rejection of this application, denial of a license or revocation of an issued license.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

Douglas Gans

Name

Chief Operating Officer

Title



Signature

10/22/24

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.



Cannabis Retail Storefront Application
10017 Prospect Ave., Santee, CA 92071

A. BUSINESS PLAN

This business plan describes the strategies, procedures, and objectives developed by TD Santee Inc., also known as Santee Holistics' (hereafter "Santee Holistics"), for operation of our adult-use retail cannabis business in the City of Santee (hereafter the "City" or "Santee"), including the following detail: our budget projections and access to more than sufficient capital to fund our construction and operations; three years' worth of financial projections (including the substantial revenue projected for the City); our plan to timely commence operations following facility improvements; our longstanding and positive relationship with our financial institution; our compliant hours of operation, and opening and closing procedures; our detailed day-to-day operations; our proven customer check-in procedures; the location and procedures for securely receiving deliveries; our industry-leading Point-of-Sale ("POS") system and utilization of the same on the sales floor to facilitate customer transactions; our proposed line of high-quality products and estimated percentage of sales of different product types; our plan to comply with state and local requirements, and including those related to inventory control procedures and waste management.



1. Finances, Construction and Operations Budget, and Sufficient Capital for Same

With our established retail operations and experienced team, Santee Holistics takes great pride in our ability to maintain detailed records and make accurate projections. In order to stay on budget for our proposed Santee retail facility's construction, operations, maintenance, employee compensation, equipment, property lease, security equipment and staff, City fees, state fees, utility costs, product purchases, and other contingency costs, and otherwise ensure success in our Santee operations. Santee

Holistics will maintain accurate books and records in an electronic format, detailing all of the monthly revenues and expenses of the business, as well as all assets and liabilities, using Generally Accepted Accounting Principles (“GAAP”).¹ On no less than an annual basis (at or before the time of the renewal of our commercial cannabis business permit) or at any time upon reasonable request of the City, Santee Holistics will file a sworn statement detailing the number of sales during the previous 12-month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement will also include gross sales for each month, and all applicable taxes paid or due to be paid. Additionally, on an annual basis Santee Holistics will submit to the City a financial audit of the business’s operations conducted by an independent certified public accountant and be prepared to participate in a regulatory compliance review and financial audit as determined by the City Manager or his/her designee(s).²

Santee Holistics used several assumptions in the business pro forma to guide its projections for future sales, expenses, gross profit, and net income. These assumptions are derived from our owners’ extensive experience operating profitable and compliant cannabis retail facilities, first in the City of San Diego (since 2015) and now in Mammoth Lakes, Chula Vista, and Oxnard. Torrey Holistics became the first licensed adult-use cannabis dispensary in the state of California on December 15, 2017, thanks to the proactive leadership of Mr. Hall. These experiences have taught us that taking a conservative approach to demand and revenue estimating and simplifying cost and pricing assumptions tends to produce the most accurate results. Unlike other applicants, our estimates are based on real world sales data from San Diego County and present a realistic picture of what revenues and costs for a cannabis business in Santee.

Operations Budget Underlying Assumptions

Our projections for consumer spending and storefront revenue starts with an analysis of consumer spending and daily foot traffic. These assumptions were derived from our nine years of practical experience operating compliant cannabis retail stores in Southern and Central California. Detailed demographic data from the US Census Bureau and cannabis usage rates from the National Survey on Drug Use and Health was incorporated to create a comprehensive analysis of our target consumers.

For our demand estimates, Santee Holistics assumes our proposed Santee retail location at 10017 Prospect Avenue will see approximately 5,400 customer transactions each month to start, with that number increasing to over 8,000 customers transactions per month by the end of Year Three. This is roughly 14-21 customers per hour and well within the number of customer visits seen at our San Diego location. This assumption is also based on our projections for customers within our geographic area and our knowledge that the average consumer will visit the retail store two times a month. This analysis and the data and assumptions behind our geographic consumer estimates are explained in greater detail in the section on “Estimated Number of Customers to Be Served per Hour per Day.”

Based upon existing sales data from our San Diego location, each customer will likely purchase 1.9 items per transaction. Demand will be divided across 6 different product categories as follows: 32% for pre-packaged flower; 32% for edibles; 8.5% for pre-rolled cannabis joints; 2% for concentrates; 24% for concentrate vaporizer pens; and 1.5% for other cannabis products. Based upon our sales experience, adjusted for the Santee market, the average customer transaction will total \$67.5 before taxes. As additional consumers learn

¹ S.M.C. § 7.04.050(A).

² S.M.C. § 7.04.050(A).

of the high-quality products and services provided by Santee Holistics, new customers within Santee and the San Diego metro area will visit our location and sales will grow.

As explained within the Market Analysis section, we believe retail sales will grow at a rate of 15% per year or approximately 1.25% per month. This market growth will likely occur by attracting existing cannabis consumers in the region rather than increasing per customer purchases and will drive both our unit sales and total revenue. While Santee has not yet issued retail cannabis licenses, since the State legalized cannabis for adult-use customers, Santee's residents have purchased cannabis products elsewhere and in other jurisdictions. The closest dispensary to City residents is an existing dispensary located in northwest El Cajon. With our proposed location on Prospect Avenue in a more convenient location for Santee residents but still near the municipal border with El Cajon, we aim to bring revenue and tax dollars into the City that are likely diverted to the adjacent community currently. Further, we plan to provide a positive cannabis retail experience to draw residents of nearby jurisdictions that are underserved or underwhelmed by the existing cannabis retailers, resulting in increased revenues in Santee.

Construction and Operations Budget

As detailed throughout the following pages, Santee Holistics included three separate budgets detailing our expected costs as we move forward with our storefront in the City: (i) Detailed Construction Budget; (ii) Start-up Budget; and (iii) Working Capital Budget: Construction + 3 Months of Operations.

The **Detailed Construction Budget** shown below includes specific, itemized costs for retail tenant improvements. As an experienced cannabis retail operator, we understand exactly what improvements and renovations will need to be made to the existing facility to prepare our proposed location in Santee to be operational. The total construction budget is estimated to be at \$342,000. To this total we've added \$50,000 contingency to account for any unforeseen expenses, making the estimated total cash required for construction \$392,000.

As demonstrated in our Proof of Capitalization in which we show nearly \$2,600,000 of available capital, we have ample funds to support this project, the required improvements, and the initial months of operations while the store becomes self-sustaining with its revenue. The \$50,000 contingency is included to provide the flexibility we know we may need based on our experience overseeing similar projects, and the reality that even with the most detailed, thoughtful construction plans, it not possible to accurately predict every single expense to the dollar.

Some of the key equipment-related construction costs include \$13,000 for HVAC, Air Purification & Odor Suppression, \$18,000 for Safes & Vault Room, \$12,000 for Computer Equipment, \$7,000 for Lighting Fixtures, \$12,000 for Security Cameras and DVR, and \$7,500 for the Security Alarm. Some of the utilities-related construction costs are estimated to be \$14,000 for Electrical, \$9,000 for Plumbing, and \$5,000 for Utilities. Other notable expenses listed in this construction budget include \$20,000 for ADA Compliance and LEED Consulting, and \$27,000 for Building Permit Application and Inspection Fees.

Detailed Construction Budget

Tenant Improvements for Retail Space

ITEM	COST
Demolition of Existing Space & Site Prep	\$5,000

A. Business Plan

Electrical	\$14,000
HVAC, Air Purification & Odor Suppression	\$13,000
Plumbing	\$9,000
Computer Equipment	\$12,000
Landscaping	\$2,500
Cat 6 & Flat Panel Wiring	\$10,000
Framing Labor & Material	\$16,000
Stucco, Drywall & Texture	\$10,000
Lighting Fixtures	\$7,000
Custom Display Cabinet Fixtures & Installation	\$36,000
Exterior Signage	\$5,000
Commercial Refrigerator	\$5,000
Security Cameras and DVR	\$12,000
Building Permit Application & Inspection Fees	\$27,000
Architecture & Interior Design	\$26,000
Legal & Consulting	\$15,000
Security Alarm System	\$7,500
Safes & Vault Room	\$18,000
Restroom Fixtures	\$3,500
Flat Panel Screens	\$3,000
POS System, scanners and printers	\$10,000
Interior and Exterior Door Systems	\$4,500
Furniture, Finishes & Other Fixtures	\$35,000
Dumpster Rental	\$3,000
Portable Restroom Rental	\$3,000
Insurance	\$5,000
Utilities	\$5,000
ADA Compliance and Leeds Consulting	\$20,000
Total Construction and Tenant Improvement Budget	\$342,000
Contingency	\$50,000
Total Cash Required for Construction	\$392,000

Our **Start-up Budget**, which totals \$777,462, includes both the \$392,000 Detailed Construction Budget discussed above along with additional projected \$385,462 in expenses to be incurred for the immediate six

months prior to commencement of operations. This 12-to-16-month budget snapshot includes key projected expenses such as \$50,000 for Building Rent, which Santee Holistics and the property owner have negotiated at \$5,000 per month for the first year per a Letter of Intent, \$8,000 for Utilities, and payroll expenses for our team to start operations, identify local Santee talent and potential employees, and train new hires prior to opening. While Santee Holistics is interested in conducting direct to consumer sales via delivery, we do not plan to initiate our delivery vehicle services right away. Given our prior experience opening our San Diego location, we are confident that this Start-Up Budget is accurate and forward-thinking, particularly given the additional funds available from our nearly \$2.6 million initial investment, some of which, will be set aside for Working Capital.

As discussed further in Section F, our Community Benefits and Investment Plan, Santee Holistics is committing to reinvesting 0.5% of all gross profits back to the Santee community through the financial support of local non-profits, community-based organizations, and social service organizations. This financial commitment and funding is expected to grow along with the success of our storefront. We anticipate being able to provide our Santee community with reinvestment in total of \$3,544 in the first six months of operations.

Start Up Budget

Construction Period + 6 Months of Operations

ITEM	CONSTRUCTION 6-10 MONTHS	OPERATIONS MONTHS 1-3	OPERATIONS MONTHS 4-6
Construction and Tenant Improvement Activities			
Detailed Construction Budget	(\$392,000)		
Operating Activities			
Revenue	-	\$1,215,000	\$1,251,450
Property Lease	(\$50,000)	(\$15,000)	(\$15,000)
Delivery Vehicle Fuel, Maintenance & Leasing	-	-	(\$21,250)
Security Personnel & System Monitoring	-	(\$40,000)	(\$40,000)
Advertising and Promotion	-	(\$150,787)	(\$150,787)
Legal & Compliance	-	(\$10,000)	(\$10,000)
CPA	-	(\$7,500)	(\$7,500)
State & City Licenses and Permits	(\$64,211)	-	-
Computer and Internet	-	(\$3,000)	(\$3,000)
Insurance	-	(\$105,000)	-
POS System	-	(\$1,875)	(\$1,875)
Salaries	(\$72,593)	(\$59,073)	(\$59,073)

A. Business Plan

Payroll Taxes and Benefits	(\$21,777)	(\$17,721)	(\$17,721)
Utilities	(\$8,000)	(\$5,500)	(\$5,500)
Office Supplies, Repairs & Maintenance	-	(\$6,250)	(\$6,250)
Website Development	-	(\$3,750)	(\$3,750)
Inventory	(\$168,881)	(\$486,000)	(\$498,693)
State LLC Gross Receipts Tax	-	(\$2,948)	(\$2,948)
Total Expenditures	(\$385,462)	(\$914,404)	(\$843,347)
Net Cash Provided by Operating Activities	(\$777,462)	\$300,596	\$408,103

As shown aggregated below in the **Working Capital Budget**, we anticipate working capital needs of approximately \$1,798,116, inclusive of our startup costs (design and construction, and pre-opening operations costs) and three months of post-opening operations costs. The table below breaks down our projected operations budget for a variety of different items, including Construction, Operation, Maintenance, Compensation of Employees, Equipment Costs, Property Lease, Security Equipment, Security Staff, City Fees, State Fees, Utility Costs, Product Purchases, and Other Contingency Operating Costs. This is yet another demonstration that the resources and funding available to us is sufficient to support our plans to successfully and compliantly initiate and operate our Santee retail facility.

Working Capital Budget

Construction Costs + Initial 3 Months of Operations

Construction and Buildout	\$342,000
Other Operating Expenses	\$289,235
Maintenance, Repairs & Office Supplies	\$6,250
Compensation of Employees	\$171,164
POS System	\$1,875
Property Lease	\$65,000
Security Equipment & Security Staff	\$40,000
City Fees	\$25,711
State Fees	\$38,500
Utilities	\$13,500
Product Inventory	\$654,881
Cash Reserve (Construction Contingency)	\$50,000
Working Capital	\$100,000
Construction and Start-Up (Three Months of Operations) Total Budget	\$1,798,116

A. Proof of Capitalization

As demonstrated by the documentation included with Santee Holistics' Cannabis Business Permit Application, Santee Holistics has nearly [REDACTED] available in startup capital to fund the proposed operations of our storefront in Santee, which is readily available through a securities account held by our San Diego licensed entity, Torrey Holistics, Inc (hereafter "Torrey Holistics"). Torrey Holistics is a sister company to Santee Holistics. Both entities are dually owned by the same principals Tony Hall and Douglas Gans and the total portfolio figure is [REDACTED], as evidenced in the proof of capitalization documents for the statement period of September 2024. Our cash-on-hand comfortably exceeds the \$1,798,116 Working Capital Budget we anticipate will be required to open the Santee store and achieve positive cash flow. Based on our experience, we are confident our available capital will be more than sufficient to support our planned operations.

B. A Pro Forma for at Least Three Years of Operations

Included below is a Three-Year Pro Forma for our planned operations as a retailer in Santee. We relied on operational data from our San Diego retail operation as well as our other locations to develop several assumptions that allow us to craft these projections. As the popularity of our retail storefront expands and our customer base grows, we believe retail sales will grow at a rate of 1.5% per year or approximately 0.125% per month. This projected growth is based on our data-driven analysis of our San Diego location's customer acquisition and purchasing patterns as well as several factors specific to the Santee and greater San Diego region.

These sales assumptions are designed to be conservative. Santee Holistics knows from our other locations and cannabis sales data nationally, that consumer purchases tend to increase in volume and frequency during the summer months. Tourism to the San Diego area may increase the magnitude of this increase. As mentioned previously, there is only one licensed cannabis retailer near the City of Santee. That shop is located in neighboring municipal jurisdiction El Cajon. Revenue figures in the Pro Forma are stated net of all state and local taxes as those taxes are remitted back to the relevant jurisdiction without being considered company income.

Three Year Pro Forma

	YEAR 1	YEAR 2	YEAR 3
Revenue			
Pre Packed Flower	\$1,740,443	\$1,914,487	\$2,105,936
Edibles	\$1,740,443	\$1,914,487	\$2,105,936
Pre-Rolls	\$462,305	\$508,536	\$559,389
Concentrates	\$108,778	\$119,655	\$131,621
Vapor Pens	\$1,305,332	\$1,435,865	\$1,579,451
Total Revenue	\$5,357,300	\$5,893,030	\$6,482,333

Cost of Goods Sold

A. Business Plan

Pre Packed Flower	\$685,735	\$754,308	\$829,739
Edibles	\$685,735	\$754,308	\$829,739
Pre-Rolls	\$182,149	\$200,363	\$220,399
Concentrates	\$42,859	\$47,144	\$51,859
Vapor Pens	\$514,301	\$565,731	\$622,304
Total COGS	\$2,142,920	\$2,357,212	\$2,592,933

Operating Expenses	YEAR 1	YEAR 2	YEAR 3
Property Lease	\$60,900	\$62,727	\$64,606
Delivery Vehicle Fuel, Maintenance & Leasing	\$63,600	\$67,500	\$72,500
Security Personnel & System Monitoring	\$160,000	\$179,000	\$200,480
Advertising and Promotion	\$603,147	\$666,305	\$644,066
Legal & Compliance	\$40,000	\$40,000	\$40,000
CPA	\$30,000	\$30,000	\$30,000
State & City Licenses and Permits	\$64,211	\$72,211	\$82,711
Computer & Internet	\$12,000	\$12,000	\$12,000
Insurance	\$105,000	\$108,000	\$112,000
POS System	\$7,500	\$7,500	\$7,500
Salaries	\$577,200	\$630,505	\$733,020
Payroll Taxes, Benefits & Worker's Comp	\$137,280	\$137,280	\$172,848
Office Supplies, Repairs & Maintenance	\$25,000	\$28,000	\$32,000
Utilities	\$22,000	\$24,500	\$27,000
Website Development	\$15,000	\$15,000	\$15,000
TOTAL OPERATING EXPENSES	\$1,922,838	\$2,080,528	\$2,245,731

Operating Income	\$1,291,542	\$1,455,290	\$1,643,669
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Income Taxes			
State LLC Gross Receipts Tax	\$11,790	\$11,790	\$11,790
Total Income Taxes	\$11,790	\$11,790	\$11,790

Net Income	\$1,279,752	\$1,443,500	\$1,631,879
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Charitable Contributions - Community Benefits (1% of Profits)	\$12,798	\$14,435	\$16,320
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As illustrated by our pro forma, our financial reporting will comply with generally accepted accounting principles, using the accrual method of accounting and the first - in, first - out method of inventory management. Based on these principles, we project a gross income of \$5,357,300 in Year One, \$5,893,030 in Year Two, and \$6,482,333 in Year Three. Our experience is that our stores reach full operational capacity in Year Three with an average purchase spend of \$75. The \$75 average purchase is based on the actual sales data from our San Diego location and is higher than the average customer spends in California of \$60.00. We are confident in our ability to deliver on this model.

Projected Revenue for Santee

The City does not currently impose a cannabis tax. If and when the City passes a cannabis tax, Santee Holistics expects to be able to provide substantial tax revenue to the City for many years to come. Until then, Santee Holistics is **committed to providing the City 5.5% of its gross receipts, which exceeds the minimum gross receipts requested by the City in the Cannabis Business Permit application procedures.** Based on our projected sales in years one through three. We anticipate making payments of \$294,651 in year one, \$324,116 in year two, and \$356,528 in year three for a total of nearly One Million Dollars (\$1,000,000) paid to the City during our first three years of operations.

As a successful cannabis retail operator, we understand the importance of being a model corporate citizen and believe strongly in providing support to the municipalities in which we operate, not only through taxes, but in every way possible. We have developed mutually beneficial relationships with other municipalities since our inception and look forward to the opportunity to develop the same type of relationship with Santee.

Compensation of Employees

As job creators with a proven track record of taking excellent care of our employees, we are well-equipped to plan for and project employment-related expenses. As demonstrated in the chart below, we anticipate our overall payroll expenses to increase over our first three years as our operations in Santee ramp up. We intend to pay non-management employees \$19.00 per hour in Year One, \$19.50 per hour in Year Two, and \$20.00 per hour in Year Three, based on market conditions in Santee.

Our budgeted Payroll totals for all employees in Year One totals \$577,200, in Year Two \$630,505, and in Year Three \$733,020. For Year One, the minimum \$19.00 per hour paid to non-management employees do not consider potential tips received. Combining Payroll with Payroll Taxes & Benefits, which is estimated to be 30% of Payroll expenses, our Payroll budget increases to \$714,480, \$767,785, and \$905,868 annually. Our anticipated staffing needs set forth in the tables below are in line with our staffing budget. Unless the Santee market demands the storefront develop a robust delivery program, we anticipate the number of employees hired will roughly stay the same during the first three years of operations.

Year One Estimated Employee Compensation

POSITION	# OF JOBS	INDIVIDUAL BASE COMPENSATION BY JOB TITLE	TOTAL COMPENSATION BY JOB TITLE	COMPENSATION, BENEFITS, & PAYROLL
Store Manager	1	\$68,000	\$68,000	\$86,720
Store Lead	2	\$44,520	\$89,040	\$112,752
Sales Consultants / Delivery Drivers	8	\$39,520	\$316,160	\$411,008
Security Officer	2	\$52,000	\$104,000	\$104,000
Total	13		\$577,200	\$714,480

Year Three Estimated Employee Compensation

POSITION	# OF JOBS	INDIVIDUAL BASE COMPENSATION BY JOB TITLE	TOTAL COMPENSATION BY JOB TITLE	COMPENSATION, BENEFITS, & PAYROLL
Store Manager	1	\$70,100	\$70,100	\$88,820
Store Lead	3	\$46,640	\$139,920	\$175,488
Sales Consultants / Delivery Drivers	10	\$41,900	\$419,000	\$513,848
Security Officer	2	\$52,000	\$104,000	\$104,000
Total	16		\$733,020	\$905,868

Significant Other Operating Expenses

Santee Holistics has a robust advertising and promotions program. We anticipate that we will initially spend \$603,147 on advertising and promotion related expenses. This expenditure includes online advertising (such as Weedmaps and Leafly), social media, and an outsourced marketing agency. Our advertising costs are expected to reduce as local residents become familiar with our business.

Santee Holistics commits to providing at minimum 1% of store net profits to the community through its community benefits and investment program. This is expected to generate an estimated \$43,552 in funds during our first three years of operations for the benefit of the Santee community. The community benefits will be made in accordance with our proposed community benefits program, which includes direct aid for non-profits, sponsorship of city events, and in-kind donations.

Our legal, accounting, and insurance expenses are estimated to be \$175,000 per year. This includes contemplated fees for ongoing accounting and tax reporting, legal services for corporate upkeep, agreements with vendors, contracting, communications with regulators, and other legal matters. As a member of the Holistics family of retailers, our Santee location will only need to pay for a fraction of the company's overall legal, accounting, and insurance costs.

Our rent expense for the first year will be \$5,000 per month with annual 3% increases thereafter on the rental price, per the Letter of Intent with our landlord, Cozza Properties LLC.

We estimate repair, maintenance, and office supplies costs of \$25,000 - \$32,000 per year. The proposed location is in good shape overall. We believe that our estimated costs are conservative in light of the fact that we are spending significantly to improve the building and site including landscaping during our buildout, which will reduce repair and maintenance costs moving forward.

C. Schedule for Beginning Operation and Outline of Proposed Construction and Improvements and Timeline for Completion

Santee Holistics estimates that it will commence operations of the proposed retail storefront ten months following approval of the Cannabis Business Permit by Santee City Council.³ Prior to commencing operations, Santee Holistics must obtain all applicable planning, zoning, building, and other applicable permits from the City.⁴ Assuming no other land use entitlement process must be held first, Santee Holistics has broken its schedule for beginning operations timeline into five phases: (1) Prepare and obtain Building Permits; (2) Complete tenant improvements; (3) Obtain state licensure; (4) Procure inventory and train staff; and (5) Conduct neighborhood outreach. The estimated timeline contained herein is based on consultation with Santee Holistics' architect team. We are confident that we can deliver on the following timeline.

Phase I: Obtaining Building Permits

Santee Holistics estimates that it will need approximately three to four months to fully assess the facility including its electrical and plumbing, design and prepare plans for the exterior and interior tenant improvements, and submit and obtain approved building permits. The first month of the building permit phase will be to draft construction documents and submit to the City. This will consist of preparation of drawings and plans that demonstrate the interior improvements proposed for the storefront. These plans will be prepared by our professional architect team and associated engineers who are familiar with the applicable building and fire codes. The construction documents will describe the quality, configuration, size, and relationship of all components to be incorporated into the premises. Construction documents will be consistent with the submitted Commercial Cannabis Permit application to the extent the improvements are structurally feasible. The application includes images of our other retail locations' interior and exterior which demonstrate a similar design style that will be incorporated at Santee Holistics.

We anticipate that the City Planning and Building Department will require one month to review our submitted plans. Based on experience, we anticipate there will be a back-and-forth exchange between Santee Holistics and the City Department whereby the City has feedback on the plans and our architect and engineering team prepare a comprehensive response to the City feedback, modifying the submitted plans as appropriate. We anticipate the City review time and our response time will take an additional few weeks. After three to four months, we estimate that the project will be permit ready. Once we receive the necessary permits, we will begin construction immediately.

³ S.M.C. § 7.04.140.

⁴ S.M.C. § 7.04.340(M).

Phase II: Buildout

Santee Holistics is excited to begin operations in Santee as soon as possible. As experienced operators, we are no strangers to building out a retail storefront for cannabis use. We have a local general contractor who we worked with in San Diego and are ready to go. We estimate that buildout of the property will take approximately 17 weeks or nearly 90 days to complete. The buildout is primarily focused on building out the interior including equipping the secure product storage room with structural security support, ensuring ADA compliance with the facility restroom, and renovating the facility so that it matches the submitted premises diagram. Santee Holistics does not anticipate any construction other than standard tenant improvements, installation of signage, and the addition of landscaping on the site. Our proposed buildout schedule is set forth below:

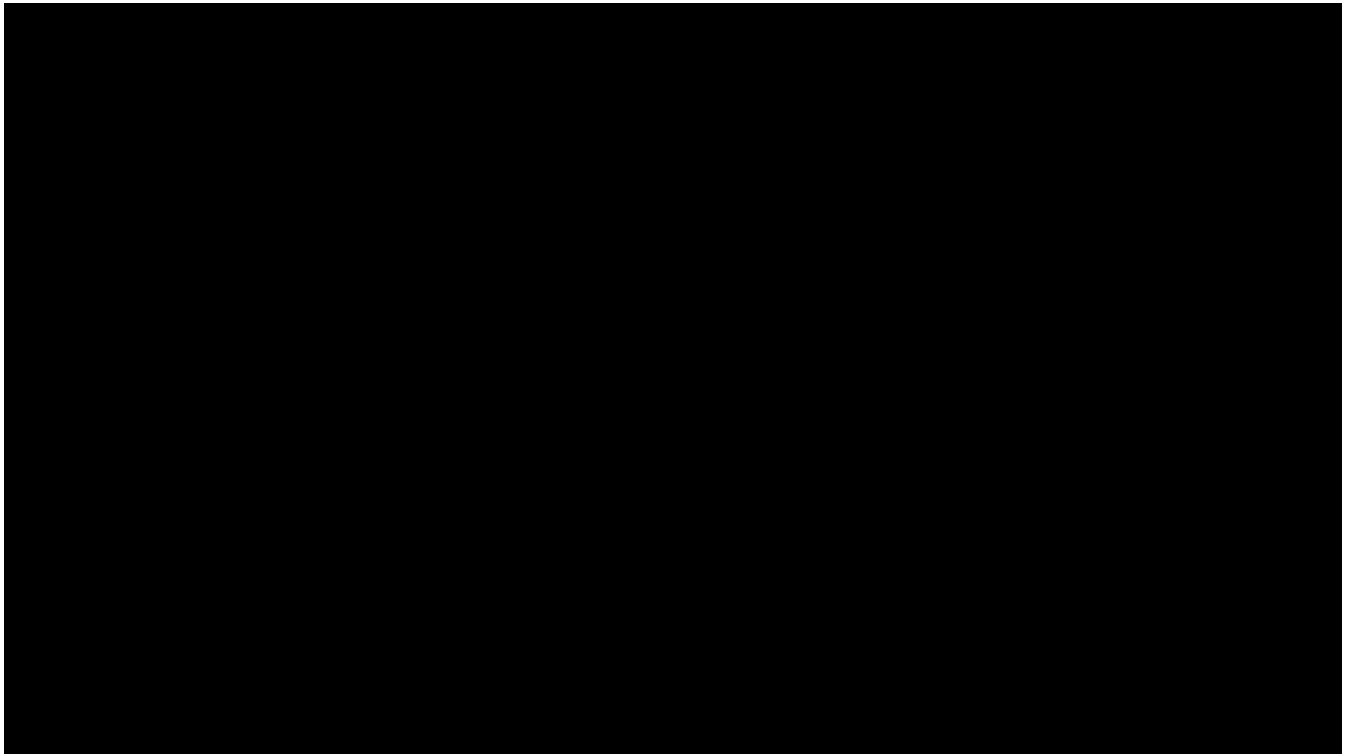
Week 1	General contractor will put together a team for the project and demolish any interior walls, as necessary.
Weeks 2-3	General contractor will frame the tenant space and build the floor plan identified on the premises diagram.
Weeks 3-5	Plummer will check existing system, develop and install plumbing fixtures and pipes for the retail space. Mechanical engineer will check existing system, develop and install and/or upgrade HVAC system for heating and cooling in the tenant space. Electrician will check existing system and upgrade existing electrical system if necessary for retail use. Installation of low voltage electrical system, including telephone, cable, and other installation.
Week 6	General contractor will install insulation at the premises. Electrician will continue installation of low voltage electrical systems.
Weeks 7-8	Installation of drywall at the premises. Roofer will examine and repair roofing and draining systems as needed.
Weeks 9-13	General contractor will: 1) install doors and casework, including custom displays and cabinetry; 2) paint the walls and finish the tenant space as needed; and 3) install Santee Holistics signage
Weeks 14-16	Installation of security technology into the tenant space. General contractor will perform final cleanup of the tenant space.
Week 17	City officials of all applicable departments including but not limited to Fire Department approval, Code Enforcement approval, Department of Development Services approval, Sherrif Department's approval, County of San Diego Health Department, and any other applicable department will perform inspection prior to the issuance of the certificate of occupancy. ⁵ Before commencing operations, Santee Holistics will obtain authorization from the Director of Development Services certifying that the business site meets all requirements of the City Municipal Code in sections 7.04.260, 7.04.280, and 7.04.290 including sufficient site control, building permits, and passed inspections. ⁶

⁵ S.M.C. § 7.04.260.

⁶ S.M.C. § 7.04.270.

Phase 3: State Licensure

As soon as Santee Holistics receives approval from the City Council, we will pursue our state licensure. We expect the issuance of the license to take 12-16 weeks. However, it may take longer due to application review backlog and the ending of the provisional licensure program at the Department of Cannabis Control. It may take up to 24 weeks for a state license to issue given unknowns as to what the new normal for processing times will be. We will submit the state license application approximately at the same time as we begin construction at the facility so these phases can progress concurrently.



Phase 4: Employment Recruitment

The final phase of Santee Holistics' preparation to launch the store is to recruit and hire employees, conduct training, and hold a grand opening. Santee Holistics' executive team will recruit a workforce that is diverse and that is local. Our aim is to recruit 75% of the store's positions from local residents. We will begin interviewing candidates approximately 60 days before the anticipated opening. The recruitment plan is set forth in our Labor and Employment plan. We will then spend two weeks providing new employee training to our Santee storefront team. During the final two weeks, Santee Holistics will also arrange for the initial inventory to be delivered to the storefront.

Phase 5: Neighborhood Outreach

Throughout the entire buildout process, Santee Holistics will conduct neighborhood outreach. Owners Doug Gans and Tony Hall will meet with neighbors within 600 feet of the proposed location. They will hold a community listening session to provide the community with an overview of the project and the estimated timeline to commence operations. The neighborhood meeting will also serve as a time to further dialogue with the community regarding any questions or concerns about the operations. Our Marketing

Director Ruthie Edelson will create an e-mail list for communication purposes and supply our contact information to neighbors. One week before the grand opening, Santee Holistics will hold an open house exclusively for neighbors. After the open house meeting, Santee Holistics will host its grand opening for the larger Santee community.

D. Letter from Financial Institution Confirming that the Applicant has Access to Banking Services

Since 2017, Torrey Holistics has maintained a positive relationship and membership with its financial institution Safe Harbor Financial. Safe Harbor Financial provided the attached letter indicating it is willing to provide access to banking services for a new cannabis venture and related entity, TD Santee Inc.



2. Daily Operations

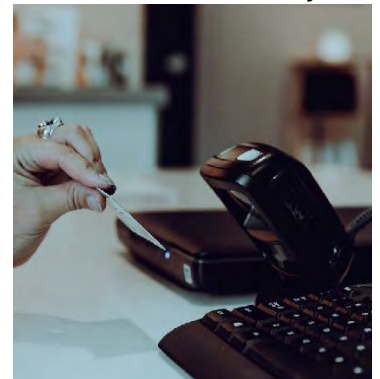
A. Customer Check-in Procedures

Verification of Identification

Santee Holistics takes great care to ensure that only patrons of legal age to purchase are permitted into the storefront retailer. Entrances into the storefront will be locked at all times with entry strictly controlled, and a “buzz-in” electronic/mechanical entry system will be utilized to limit access to and entry to the Retail Sales Area to separate it from the Entry Room, where individuals will be required to show their government-issued identification, and, in the case of patients, their physician’s recommendation, or a medical cannabis card issued pursuant to Health and Safety Code Section 11362.71 in order to gain access into the store.⁷

Santee Holistics will verify the age and all necessary documentation of each individual to ensure the customer is not under the age of 18, and if the potential customer is 18 to 20 years old, we will confirm that the customer has a valid doctor’s recommendation and/or medical cannabis card. Persons 18 to 20 years old who are unable to produce either form of medical documentation for themselves or the patient for whom they are serving as a primary caretaker (if applicable) cannot purchase cannabis legally and will be denied admittance to our Storefront Retailer. For adult use purchases, we will verify that all customers are 21 years of age or older for the purchase of cannabis or cannabis products.⁸

An individual’s government-issued identification and, if applicable, a medical cannabis documentation (which will not be capable of being obtained or provided at our facility) will also be required to be shown at the point-of-sale station at the time of purchase.⁹ Santee Holistics will only sell adult-use cannabis and cannabis products to individuals who are at least 21 years of age, and medicinal cannabis or cannabis products to individuals who are at least 18 years of age in possession of a valid physician’s recommendation for themselves or a patient for whom they are serving as a primary caregiver.



In accordance with both state and local law and as discussed in the Security Plan, the Storefront will have secure limited-access areas where cannabis products will be stored and only authorized individuals will be permitted to enter the limited-access areas. Limited access areas at the premises include parts of the Retail Sales Area, the Secure Storage Area, Offices, and Receiving Areas. These authorized individuals will be at least 21 years of age and include individuals employed by the retailer as well as any outside vendors, contractors, or other individuals conducting business that require access to the limited access area. If the individual is not a Santee Holistics employee, they will be escorted at all times by an employee and we will maintain a log of all individuals who are not employees who are granted access to the limited access area, which will be made available to the City upon request.

⁷ S.M.C. § 7.04.360(H)(1) - (2).

⁸ S.M.C. § 7.04.360(B).

⁹ S.M.C. § 7.04.360(C).

Entry Room

The Entry Room at Santee Holistics is where customers, patients, visitors, and others will check in with the Security Officer on duty or a Sales Consultant before entering the Retail Sales Area or any restricted-access areas, which are only accessible to authorized visitors with a legitimate reason for entry. Individuals must check in with either the Security Officer or Sales Consultant. If the Retail Sales Area is experiencing high customer volume, checked-in customers may be required to remain in the Entry Room until they receive authorization to enter. Visitors to the premises for other purposes may also be asked to stay in the Entry Room until a Sales Consultant arrives to escort them to the necessary areas for their visit.

Sales Area

When a customer receives authorization to enter, they will enter the Retail Sales Area. The Retail Sales Area is designated for the display and sale of cannabis goods to lawful consumers. At least one employee will always be present in this area when customers or non-employees are on the premises. Access to the Retail Sales Area will be restricted to authorized employees only when the business is closed to customers, with doors secured by commercial keypad entry locks.

During business hours, customers will typically have supervised access to the Retail Sales Area. However, the area behind the sales counters, where limited inventory is stored, is accessible only to Santee Holistics personnel at all times. Cannabis goods that are packaged and labeled for retail sale will be securely stored in locked cabinets in the

employee only area behind the sales counter. Cannabis goods will also be displayed in glass cabinets under the Point-of-Sale stations a way that prevents unauthorized access by customers or other non-employees. Surveillance cameras will monitor all activities in the Retail Sales Area, including every person engaged in a sales transaction. Individuals may remain in the Retail Sales Area only for the purpose of purchasing cannabis goods or engaging in authorized activities related to Santee Holistics' retail operations. After completing a purchase, customers will be required to exit the Retail Sales Area to minimize the number of individuals needing supervision, prevent overcrowding, and enhance operational efficiency.

B. Location and Procedures for Receiving Deliveries During Business Hours

Santee Holistics has developed procedures for the safe and efficient receipt of cannabis goods. Santee Holistics appreciates that the receipt of cannabis goods if performed without care can cause adverse impacts on neighbors and can expose employees to potentially dangerous conditions. As explained in more detail below, Santee Holistics promotes safety and efficiency when receiving shipments by controlling the location where cannabis goods are received, having proper security while receiving cannabis goods, and placing goods into the secure inventory room without delay.

Location of Receiving Shipments During Business Hours



Inventory will only be received during business hours and upon appointment established by the licensed distributor and Store Manager. At a minimum, Santee Holistics' receiving area will be secured with the following:

- Access control points, which include the positive identification of distributor transport drivers.
- An alarm system that is equipped with silent alarm capability to notify management and law enforcement of a potential intrusion.
- Video surveillance of all entry and exit points, produced with enough clarity to allow facial recognition.

Exterior lights at all points of entry and exit, as well as on the façade of the building and surrounding property, will remain constantly illuminated to allow for video surveillance recording. Lighting on the outside perimeter will allow night vision cameras to record any suspicious activity. Santee Holistics will install security cameras to monitor and record all areas of the Facility.

Cameras will be installed in a manner that will prevent them from being readily obstructed, tampered with, or disabled. Cameras will be placed in a location that allows for the clear and certain identification of any person and activities in all areas required to be filmed and will ensure visibility of activities will not be obstructed by fixtures or other equipment. Cameras will be calibrated and focused to maximize the quality of the recorded image.

Shipping Manifests

The Shipping Manifest is an essential document used throughout the California supply chain that tracks all relevant information regarding movement and shipments of cannabis goods between two licensees. Prior to commencement of operations, we will issue purchase orders of cannabis products from licensed distributors including our own licensed distribution operation in San Diego. All shipments of transported cannabis goods must be accompanied by a Shipping Manifest. As a licensee receiving shipments, we will maintain electronic copies of Shipping Manifests for all shipments of cannabis goods received and make the Shipping Manifests available upon request to the Department of Cannabis Control (hereafter the “DCC” or the “Department”), the City, and any law enforcement officers. Upon receipt of a transported shipment and upon verification of the inventory against the Shipping Manifest, we will submit a record verifying receipt of and details regarding the shipment to the Department to verify receipt.

Our team will never take into its possession any cannabis goods that are not included or described on the Shipping Manifest or any cannabis goods that are less than or greater than the amount reflected on the Shipping Manifest. Any discrepancy in weight or package count will be identified and reported immediately.

Accepting Incoming Shipments of Cannabis Goods

Upon the inventory being moved into the Receiving Room, the Store Manager will ensure that all cannabis goods in incoming shipments are properly packaged and labeled in compliance with all applicable state and City regulations, that the shipment matches the Shipping Manifest, and that all cannabis goods are in good condition before being formally accepted into inventory. Santee Holistics will only accept inventory shipments from licensed distributors or microbusinesses authorized to distribute cannabis goods. We will ensure that all cannabis goods sold at the premises are cultivated, manufactured, and transported by licensed commercial cannabis businesses that maintain compliance with all state and local laws and regulations.¹⁰ Santee Holistics will consistently use the state license search tools to verify the licensee name, status, and number of the manufacturer or cultivator who grew or produced the cannabis goods or distributed them to the storefront. No incoming shipments will be accepted unless Santee Holistics can verify that the cannabis goods have passed required laboratory testing (as demonstrated by a certificate of analysis), have not exceeded their expiration or sell-by date (if provided), and are compliantly packaged and labeled for retail sale. Once the incoming shipment and products are accepted into inventory, they are properly stored and appropriately integrated with the rest of the store's inventory within the "Limited Access Area Cannabis Product Storage and Receiving" Room, as shown on the floor plan.

[illegible]

¹⁰ S.M.C. § 7.04.340(E).

Refusal of Incoming Cannabis Product

Santee Holistics will refuse a shipment from a licensed distributor, in whole or in part, if any cannabis goods in the shipment meet the following criteria:

- The cannabis goods contain prohibited ingredients, such as alcohol or tobacco.
- The cannabis goods do not match the description or quantity indicated on the Shipping Manifest.
- The cannabis goods are packaged in damaged containers that could expose the contents to contaminants.
- The labeling and packaging of the cannabis goods do not comply with DCC and all applicable state and local laws, regulations, ordinances, and other specifications.
- The cannabis goods do not meet other regulatory requirements.

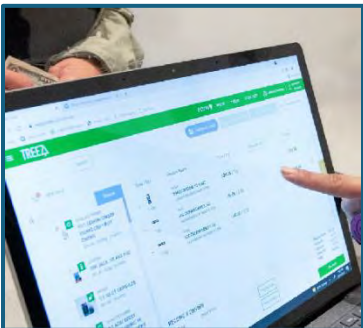
The Store Manager, with assistance from the Sales Consultants, will document any refused shipments on the Shipping Manifest and in METRC. All cannabis acquisition records will be maintained for seven years as required by the DCC.

C. Point of Sale System and How it Will Interact with the State's System, METRC

POS System and Integration with METRC

Santee Holistics utilizes the POS system Treez as its Point-of-Sale (POS) and Inventory Management platform, which plays a critical role in our compliance and operational efficiency. Treez offers advanced recordkeeping features that enable us to document all sales transactions, delivery manifests, and inventory levels comprehensively. The system generates various on-demand reports, including sales reports and inventory reconciliations, to facilitate effective management and oversight.

A key feature of Treez is its seamless integration with the state's METRC system, which ensures real-time compliance and reporting. With each action and recorded transaction in Treez, the product movement or customer sale is automatically recorded and reported to METRC, with state-compliant transaction receipts automatically and immediately saved in each customer's profile. Additionally, Treez tracks customer purchases to facilitate notifications and recalls when necessary.

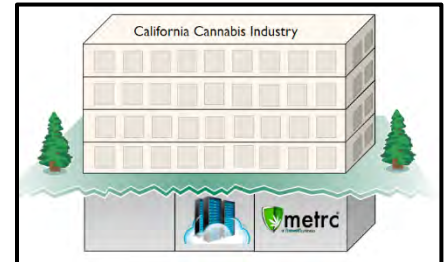


For effective recordkeeping, Treez provides advanced transaction sorting capabilities, allowing us to filter records by day, hour, and customer. The platform includes safeguards designed to ensure compliance with state laws by automatically monitoring and maintaining records of purchase limits, permissible sales hours, and customer identification requirements. This robust integration and feature set positions Santee Holistics to maintain the highest standards of compliance and operational excellence in the cannabis industry while also leveraging the advanced business analytical and graphical insights offered by Treez that would not be available through the use of METRC alone.

Number of Point-of-Sale Locations

Based on our experience operating in San Diego, Oxnard, Chula Vista, and Mammoth Lakes, we estimate an average of 5,400 transactions per month at our storefront. We plan to use enough point-of-sale locations (“POS Locations”) to service approximately 1 transaction every 15 minutes. This will require five POS Locations at our Santee Storefront.

Santee Holistics will also utilize an accounting software system that provides point-of-sale data as well as audit trails for both product and cash, where applicable.¹¹ At each point-of-sale location, camera placement will allow for the recording of the facial features of any person purchasing or selling cannabis goods or any person in the Retail Sales Area with sufficient clarity to determine identity.¹²



D. Expected Number of Customers to Be Served Per Hour Per Day

To precisely estimate the number of customers we expect to serve each month, day, and hour we conducted a proprietary market analysis that begins with city and county level data from the 2018 American Community Survey administered by the U.S. Census Bureau. We then overlaid cannabis consumption data from the National Survey on Drug Use and Health (“NSDUH”), and our experience operating in California’s regulated commercial cannabis market. Information from the census bureau, shows 43,717 residents in Santee age 18 or older and 2,682,667 in San Diego County age 20 and older. According to the California regional data from NSDUH, approximately 16.4% of adults have consumed cannabis in the past year. Based on the population and usage rates, we project 7,170 monthly cannabis consumers in Santee and 439,957 in all of San Diego County.

In addition, San Diego receives approximately 31.8 million visitors per year. Dividing the total number of visitors per year by the number of days in a year (365) equates to roughly 87,123 daily visitors. For our purposes, we assume that visitors will consume cannabis at the same rate as residents. This equates to an additional 14,288 potential San Diego County cannabis consumers when visitor days are converted to annual equivalents.

When these cannabis consumer population estimates are incorporated into our model, and current and future licensing and regulated retail competition is considered within Santee, where there will be at maximum four retailers total, and San Diego County, where there are currently 75 total licensed retailers, **we estimate a total of 7,028 cannabis consumers will patronize our regulated retail cannabis establishment throughout the year.** Of these consumers, we estimate 1,793 (26%) will be residents or visitors to Santee and 5,234 (74%) will be

¹¹ S.M.C. § 7.04.320(A)(13).

¹² S.M.C. § 7.04.360(G)(5)

residents or visitors within San Diego County outside of the City. From our extensive knowledge of cannabis consumption habits as well as our experience operating in California’s medical and adult-use markets, we assume that each consumer will shop at our retail store around two times per month and spend approximately \$67.5 per visit. While tourists may purchase more each visit, they will frequent the store less frequently than local county residents.

Our model starts with an estimate of 5,400 transactions per month and increases slightly over time to account for population changes and an expansion in the number of Californians purchasing cannabis goods from the regulated industry. While we have data that shows an increase in customer traffic during the summer months, we have taken a conservative assumption and kept the month-to-month growth in transactions small and constant throughout the year. **At this rate we estimate between 165 and 200 consumer transactions each day in Year 1, approximately 14 to 17 per hour. These numbers are projected to increase over time, and by the end of Year 3, we estimate there will be between 215 and 245 transactions per day or 20 per hour.**






E. Proposed Product Line to be Sold and Estimated Percentage of Sales of Flower and Manufactured Products





Proposed Product Line and Brand Names to be Sold


Santee Holistics is proud to offer over 400 unique cannabis products, including flower, edibles, extracts, tinctures, pre-rolls, and topicals. We are committed to ensuring that all products sold at our establishment meet the highest quality standards and comply with all applicable regulations. Each product undergoes rigorous quality checks to verify proper labeling and compliant test results before reaching our shelves. See the chart below for a list of our proposed product type offerings including brand names that we currently carry in our other locations.

PRODUCT	PRODUCT TYPE DESCRIPTION	PRODUCT BRANDS CARRIED
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A. Business Plan

	Flower	Santee Holistics will carry a wide variety of cannabis strains from across California. Santee Holistics' curated cannabis inventory will feature high-quality, laboratory-tested cannabis at all price points. THC content on cannabis will range from 10% to 35%. Cannabis flower varieties will include indica, sativa, and hybrid.	Hi Canna, Claybourne, Cream of the Crop Gardens, Wave Rider, Sonoma Hills Farm, Cypress Cannabis, UpNorth, Lowell Herb Co., Whitethorn Valley Farm, Fig Farms, Sol Spirit Farm, Sunbright Gardens, Alien Labs, Source Cannabis
	Pre-Rolls	A pre-roll is exactly what it sounds like—a pre-rolled cannabis joint. Santee Holistics will carry pre-roll joints from a variety of licensed cultivators. THC content will range from 10% to 35%. Cannabis varieties will include indica, sativa, and hybrid.	Hi Canna, Claybourne, Kingroll, Jeeter, Pure Beauty, Cream of the Crop, Lowell Herb Co., Country Cannabis, Garden Society, Brite Labs, Punch Extracts, Alien Labs, Brite Labs, Heavy Hitters, TRADITIONAL
	Concentrates	Santee Holistics plans to carry various concentrates including live resin, budder, sauce, sugar leaf, and crumble.	Jetty Extracts, Papa's Select, Hi Canna, Radicle Herbs, Nasha, Stiiizy, Punch Extracts, Clsics, 710 Labs, Kaizen, Erri Hill, House Weed, Emerald Bay Extracts, Buddies, High 90's, Kings Garden, Raw Garden
	Vapes	Vaporizers—also known as vape pens—are devices used to heat cannabis for inhalation. Vaping devices heat dry cannabis flower or oil concentrate to a temperature below combustion, usually in the range of 180–200°C (356–392°F). The heat releases active compounds from the cannabis and turns them into a vapor that can be inhaled. THC content of vapes will range from 35% to 90%.	Jeeter, Gelato, PlugPlay, Jetty Extracts, Hi Canna, Clsics, Stiiizy, Left Coast, Heavy Hitters, Alien Labs, Raw Garden, Bbrand by Buddies, Absolute Extracts, Halara, Cold Fire, Connected Cannabis, Pax Era
	Oil Cartridges or Pods	An oil cartridges or pod is a pre-filled container of cannabis oil or concentrate designed for use with an e-cigarette or vape rig. Cartridges and pods come in multiple formats, from 510-threaded cartridges that twist onto a battery to pods that	Stiiizy, Pax Labs, Plug Play

		magnetically snap into place. THC content of oil cartridges ranges from 35% to 90%.	
	Edibles	Edibles are a food infused with cannabinoids. Cannabis edibles come in many forms, including brownies, cookies, gummies, tablets, and mints. Any recipe that calls for butter or oil can be readily infused with cannabis. The body processes edible cannabis differently than inhaled cannabinoids. When cannabis is ingested, cannabinoids enter the bloodstream through the stomach and liver, which increases potency and delays the onset of effects. Cannabis edibles typically contain 5–10 milligrams of THC per serving, with a maximum of 100 milligrams of THC per edible cannabis good.	Kiva, Cann, Clsics, St. Ides, Bodega, Emerald Bay Extracts, Emerald Sky, Wyld, Good Tide, Froot, Lost Farm, Dee Thai, Terra, Swifts, Smokiez, Punch Extracts
	Beverages	Cannabis-infused beverages are ingested like edibles. Cannabis-infused beverages include seltzers, sodas, non-alcoholic “hoppy water,” and other drinks. Cannabis-infused beverages contain 5–10 milligrams of THC.	Cann, Lagunitas, Pabst Labs, St. Ides, Bodega, Keef, Kush Cups, Not Your Fathers, Uncle Arnie’s, Artet, etc.
	Topicals	Topicals are cannabis-infused lotions, balms, and oils that are absorbed through the skin for localized relief of pain, soreness, and inflammation. Because they are non-intoxicating, topicals are often chosen by patients who want the therapeutic benefits of cannabis without the cerebral euphoria associated with other delivery methods.	Papa & Barkley, Dr. May, Mary’s Medicinals, Buddies, Carter’s Aromatherapy Designs, Kush Queen, etc.
	Tinctures	Tinctures are cannabis dissolved in alcohol. Tinctures contain a range of cannabinoids and are	Papa & Barkley, Dr. May, Fuss & Friends, Chemistry, Buddies, Care By Design,

		administered orally, sublingually, or in tandem with a beverage. Tinctures are often packaged in small glass bottles with droppers as caps for convenient dosing. They offer patients a method of consumption that does not require combustion or inhalation. Tinctures typically contain 100 milligrams of THC.	Yummi Karma, Mary's Medicinals
	Capsules	Capsules are cannabis in pill form, typically used as a vehicle to administer medication through ingestion. Capsules can contain any form of cannabis and specific ratios of cannabinoids. Capsules often function as safer alternatives to vaping or smoking cannabis. Capsules typically range from 5 to 10 milligrams of THC.	Level, Emerald Bay Extracts, The Tablet

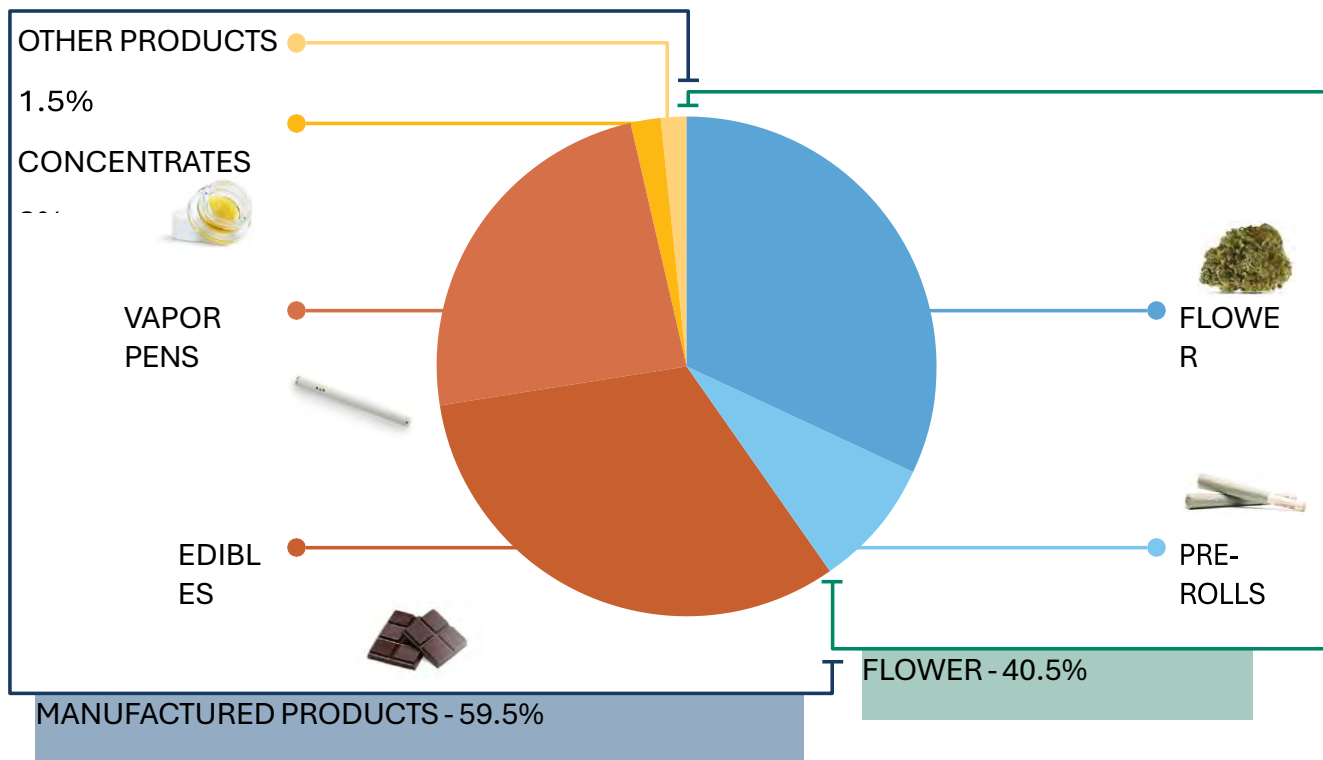
All cannabis goods sold will be contained in child-resistant containers and will leave the store in opaque exit packaging.¹³ This commitment to compliance ensures that our customers receive safe, high-quality products they can trust. Below is a sample of some of the compliant products we have received from licensed entities that we will proudly offer for sale.

Projected Share of Sales by Product Category

Based on our experience operating in California and knowledge of the consumer market, we project estimates of the percentage of sales of non-manufactured and manufactured products. As demonstrated in the graphic below, we expect our sales by product type to be as follows: 40.5% cannabis flower, which breaks down into 32% pre-packaged flower and 8.5% pre-rolls; and 59.5% manufactured

¹³ S.M.C. § 7.04.360(G)(4).

cannabis goods, which breaks down into 32% edibles, 24% vapor pens, 2% concentrates, and 1.5% other products.



F. Compliance with Local and State Laws (SMC Section 7.04.360)

Culture of Compliance

Santee Holistics recognizes that successfully operating any business starts with regulatory compliance. Regulatory compliance ensures uninterrupted operations and a productive and safe working environment for employees. This is particularly important in the cannabis industry where regulatory frameworks are complex and evolving. Santee Holistics will ensure all employees appreciate the importance of compliance by taking a top-down approach, i.e., providing compliance-related education and training to all employees from the most junior to the most senior.

Santee Holistics will operate in compliance with the regulations promulgated by the DCC, the City, and all other applicable rules and regulations¹⁴. To ensure compliance, Santee Holistics has designated its Chief Financial Officer and Compliance Director (“CFO” and/or “Compliance Director”) as responsible for all oversight of the company’s compliance functions. The Compliance Director will work with management to develop compliance plans and training materials for all staff and will perform unannounced audits and spot checks to ensure operations comply with regulations. On an annual basis and as needed, Santee Holistics will bring in third-party compliance auditors or legal counsel to review operations. Santee Holistics will stay

¹⁴ S.M.C. § 7.04.050.

apprised of any developments or changes to cannabis business operational requirements required by the City or the DCC to continually operate in a compliant manner.¹⁵

Standard Operating Procedures

To standardize company policies and procedures and to ensure compliance with all applicable government regulations and industry best practices, Santee Holistics will operate under a documented system of standard operating procedures (“SOPs”). There are written SOPs to govern the major steps of all aspects of Santee Holistics’ business, including but not limited to recordkeeping, sales, inventory control, quality control, security, and communicating with regulators. Santee Holistics will maintain copies of all current and prior SOPs on-site and provide copies to regulators upon request. Copies of SOPs will be maintained in the manager’s office, a limited-access area, both electronically and in hard-copy form. To ensure sensitive information remains confidential, electronic copies will be secured via password-protection, and hard copies will be stored in a locked, fire-proof filing cabinet. SOPs will be accessible only to employees. Management will further restrict access according to roles and responsibilities as needed by providing unique keys and/or passwords to certain employees. Employees will have ready access to relevant SOPs via tablets. Employees will also have access to binders containing hard copies of relevant SOPs.

Santee Holistics’ Compliance Director will review SOPs at least annually and will incorporate changes to the SOPs based on owner or employee feedback, due to changes in industry standards, or as requested by the City or the DCC. The Store Manager will implement any changes at the store and ensure any necessary re-training is provided. Santee Holistics will archive copies of existing SOPs prior to making any changes to preserve copies of both current and prior SOPs.

Open Lines of Communication

Santee Holistics will establish multiple lines of communication to transmit compliance information, including its monthly companywide newsletter, its weekly store team meetings, flyers and posters with contact information, and training materials with contact information. Employees may confidentially report compliance violations and/or concerns to management and leaders through various means, including email transmission and a staff comment box. All training and compliance material will emphasize a clear policy of reporting without fear of retaliation. Managers will regularly communicate with the Compliance Director about operational compliance issue. All Santee Holistics employees will understand their role in ensuring a compliant operation.

Training and Education

All employees will receive compliance training, including members of Santee Holistics’ leadership and management teams. All new hires receive extensive compliance training as part of onboarding procedures. All employees receive refresher training throughout the year. Santee Holistics will provide additional trainings as needed as issues arise and regulations evolve. Santee Holistics will document employee training and will keep copies of all training content and signatures for seven years.

Auditing and Monitoring

Santee Holistics will conduct regular internal audits of the organization to identify and address potential compliance issues. Santee Holistics will create an internal audit plan and update the plan regularly to reflect changes in the organization and applicable statutes and regulations. Santee Holistics will review the

¹⁵ S.M.C. § 7.04.350.

compliance processes, policies, and actions regularly and proactively. Santee Holistics will evaluate the cause of any compliance issues identified during the internal audit and establish corrective action plans to address each issue and implement those plans immediately. Audit reports will be shared with the management and leadership teams. The Compliance Director will be responsible for implementing and overseeing internal audits and monitoring.

Corrective Action

Santee Holistics will implement policies for responding to detected noncompliance and for taking corrective action. Upon receiving notice of detected noncompliance, the Compliance Director will conduct a reasonable inquiry into any potential noncompliance and will complete the inquiry as quickly as possible. The Compliance Director will utilize a system to track the issues and their resolution. Santee Holistics will take appropriate corrective action to correct the problem and deter future violations. Corrective action may include retraining, taking appropriate disciplinary action, revising policies and procedures, reporting to state and local regulators, or notifying law enforcement.

Discipline

Santee Holistics will establish a progressive discipline system for detected noncompliance. Disciplinary sanctions include verbal warning, written warning, re-training, termination, and referral to law enforcement for criminal investigation. Santee Holistics will disseminate its disciplinary guidelines and ensure employees are aware of them. Disciplinary guidelines will be applied uniformly across the entity and at all levels of management.

Compliance with Local Laws and the Santee Municipal Code

State and Local Licenses and Permits

Santee Holistics will not engage in any commercial cannabis activity in the City unless and until it has a valid cannabis business permit from the City, a valid State of California Seller's Permit, is in compliance with all applicable State and local laws and regulations pertaining to cannabis activities, including obtaining a DCC license and a Santee Business License.¹⁶ Applications for renewal of the cannabis business permit will be submitted timely, at least 90 calendar days prior to the expiration date of the current permit, but no earlier than 180 calendar days prior to the expiration date of the current permit, unless otherwise requested by the City Manager.¹⁷

Fees and Charges

Santee Holistics is committed to paying all required sales, use, business, and other applicable taxes, as well as all license, registration, and related fees under federal, state, and local law. Santee Holistics understands that the business must fully cooperate with the City in response to any reasonable audit request to verify compliance with these obligations, including verification of taxes and fees owed for any specific period.¹⁸

Operating Hours

The Santee Holistics retail hours of operation will be compliant with the rules set forth by the DCC, the City, and all other applicable state and local laws, regulations, and other requirements, including all applicable

¹⁶ S.M.C. § 7.04.070; 7.04.250.

¹⁷ S.M.C. § 7.04.180.

¹⁸ S.M.C. § 7.04.330.

zoning regulations. The operating hours of the storefront retailer will be limited to the hours of 9:00 a.m. through 9:00 p.m., seven days a week, regardless if the sale is conducted at the storefront or via delivery.¹⁹ Santee Holistics will plan to maintain these hours of operation unless an alternative time frame is established by the local and state authorities or specified in the commercial cannabis business permit issued by the City.²⁰

Reporting and Tracking of Product and Gross Sales

Santee Holistics will utilize Treez as its point-of-sale or inventory management system to track and report on all business activities, including cannabis tracking, inventory data, and gross sales (by weight and sale). As explained in more detail below, Treez provides tracking, transaction, and audit trail data for both cash and product.²¹ The system will be compatible with the City's recordkeeping systems and capable of producing historical transactional data for review. Prior to implementation, Santee Holistics will ensure that there is full approval from the City Manager.²²

Retail Storefront Compliance

As noted in our Customer Check-in Procedures above, entrances to the sales floor will be locked at all times and entry will be strictly controlled by a buzzing electronic entry system, allowing us to limit access to the retail sales area. Prior to allowing entry, we verify the age and necessary documentation of each customer to ensure compliance with age requirements. Customers under 18 are not permitted. For customers aged 18 to 20, we confirm possession of a valid doctor's recommendation and/or a medical marijuana card issued under Health and Safety Code Section 11362.71.²³ For adult-use purchases, we verify that all customers are at least 21 years old.²⁴

Upon entry, individuals must show government-issued identification, and for medical cannabis purchases, they must also provide a physician's recommendation or cannabis card. These documents are also required at the point-of-sale. We do not obtain or provide doctor recommendations at our retail location.²⁵ Only customers with proper identification may access the sales room where cannabis goods are sold. Further, the restroom facilities will remain locked and under the control of management.²⁶

¹⁹ S.M.C. § 7.04.360(K); S.M.C. § 7.04.370(A).

²⁰ S.M.C. § 7.04.340(A).

²¹ S.M.C. § 7.04.320(A)(13).

²² S.M.C. § 7.04.340(D).

²³ S.M.C. § 7.04.360(H)(1) - (2).

²⁴ S.M.C. § 7.04.360(B).

²⁵ S.M.C. § 7.04.360(C).

²⁶ S.M.C. § 7.04.360(F).

Santee Holistics will only serve customers who are within our licensed premises, or at the exact delivery address that meets local requirements.²⁷ We will only sell adult-use cannabis and cannabis products to customers who are 21 or older, and we will only sell medicinal cannabis to individuals aged 18 to 20 with a valid physician's recommendation. Medicinal cannabis sales to customers 21 and older are unrestricted.²⁸

Cannabis goods will be located in the retail sales area and in the product storage room. Santee Holistics will have only that quantity of cannabis goods to meet the daily demand readily available for sale on-site in the retail sales area and in the display cases. Additional product storage will be located in secure locked cabinets behind the point of sale stations and in a secured, locked inventory storage room to which customers, vendors, and visitors will not have access.²⁹ Safes and vaults used for storing cash or cannabis products comply with Underwriters Laboratories' burglary-resistant and fire-resistant standards. We ensure all cannabis products, including live clone plants, are stored to prevent diversion, theft, or loss.³⁰ No cannabis or products or graphics depicting cannabis goods will be visible from the exterior of the property, nor on any of the vehicles owned or used as part of the business.

As detailed in our Security Plan, uniformed licensed security personnel will be employed to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities. Security personnel will not be armed.³¹

Before beginning operations, every person listed as an owner, manager, supervisor, and any individual who will be participating in the direction, control, or management in Santee Holistics will submit fingerprints and other information deemed necessary by the city manager or their designee for a background check by the city police department.³²

Delivery Compliance

While Santee Holistics does not intend to conduct sales via delivery immediately upon commencement of operations, depending on market demand and conditions, Santee Holistics may conduct delivery sales. Torrey Holistics conducts delivery operations already from its San Diego location and has established SOPs for delivery operations.

Like at the storefront, our Delivery Drivers will be required to verify customers and patients' identification, age, and, as applicable, their doctor's recommendation.³³ If at the point of delivery, our Delivery Driver cannot confirm the recipient is the same individual that placed the order or if the form of identification from the recipient is not valid, the Delivery Driver will not complete the sale and the products will be returned to the store.

Prior to commencing delivery operations or utilizing any delivery vehicle, Santee Holistics will provide the City with information regarding its delivery vehicle(s) in writing including a) proof of ownership of the vehicle or a

²⁷ S.M.C. § 7.04.360(G).

²⁸ S.M.C. § 7.04.360(I).

²⁹ S.M.C. § 7.04.360(E).

³⁰ S.M.C. § 7.04.320(A)(4).

³¹ S.M.C. § 7.04.360(D).

³² S.M.C. § 7.04.080(B).

³³ S.M.C. § 7.04.370(A).

valid lease, b) the year, make, model, color, license plate number, and numerical vehicle identification number (VIN), and c) proof of insurance.³⁴

In compliance with local and state law, cannabis deliveries may not be delivered to an address located on publicly owned land or any address on land or in a building leased by a public agency.³⁵ Santee Holistics will conduct any delivery operations in compliance with all other state and local laws including any specific conditions detailed in the approved Cannabis Business Permit.

Inspections and Enforcement Action

Prior to commencing operations, Santee Holistics will comply with a mandatory building inspection, and obtain all required permits. As the future business permit holder, Santee Holistics acknowledges our responsibility for any violations of California laws or City regulations and ordinances, regardless of whether these violations are committed by us, our employees, or agents, and whether or not they occur in our presence.³⁶ We understand that enforcement officers have the right to enter our premises at any time, without prior notice, to inspect our location and review any required recordings and records.³⁷

Santee Holistics and its employees and agents will fully cooperate with the City whenever the City Manager requests to inspect or audit the storefront and any associated Santee Holistics records and plans, including the effectiveness of procedures or security measures. We will neither impede or obstruct inspections conducted by the City, nor will we conceal, destroy, deface, or falsify any records or documents mandated by the City or state cannabis laws.³⁸ The premises may also be subject to inspection by the Fire Department, building inspector, code enforcement officer(s), DCC, and other relevant authorities to confirm that no health or safety concerns are present, and for other purposes that are consistent with the scope of authority for the inspecting agency. All Santee Holistics employees and staff will cooperate in a timely manner with the requirements of an inspection or audit as a condition of their continued employment. Santee Holistics will cooperate with the City whenever the City Manager makes a request, upon reasonable notice to Santee Holistics, to inspect or audit the effectiveness of any security plan or any other requirements with which Santee cannabis businesses must comply.

As a condition of employment, all employees will consent to and be aware that the City or DCC may inspect the Facility, including any employee storage area in the event of suspected or documented diversion, theft, or loss of cannabis goods. Additionally, we acknowledge that enforcement officers may obtain samples of our cannabis during operational hours for public safety testing, and we will ensure that all samples are logged and maintained according to established City procedures.³⁹

³⁴ S.M.C. § 7.04.380.

³⁵ S.M.C. § 7.04.430(A).

³⁶ S.M.C. § 7.04.480.

³⁷ S.M.C. § 7.04.490(A).

³⁸ S.M.C. § 7.04.490(B).

³⁹ S.M.C. § 7.04.490(C).

State Law Compliance

Display of License

Santee Holistics will post copies of all local and state commercial cannabis permits and licenses inside the Storefront in a location readily visible to the public.⁴⁰ We intend to hold an adult-use and medical storefront license, including delivery operations, issued by both state and local authorities. Santee Holistics will not purchase, receive, possess, or sell any cannabis goods without holding a valid license from the DCC and Cannabis Business Permit from the City.

Opening Procedures

As a part of opening procedures, store management will complete a daily inspection to ensure the interior and exterior of the facility is properly maintained. Santee Holistics will ensure that the premises and associated parking, including the adjacent area under the control of Santee Holistics and any sidewalk or alley, will be maintained in an attractive condition, and will be kept free of obstruction, trash, litter, and debris at all times. Adequate illumination of the exterior of the building in the evening, along with visible exterior security cameras, will deter vandalism of any kind.

Generally, we will have one manager onsite during all hours of operation. There also will be at least two Security Officers present on the premises 30 minutes prior to opening, during all hours of operation, and for 30 minutes after closing, including during all opening and closing procedures. Careful due diligence and precautions are always taken to ensure the safety of our employees, the premises, neighboring businesses, and the cannabis goods. A manager will be the first to arrive at the premises half hour prior to opening each day. Managers and Security Officers will be the only employees that will possess exterior facility keys and alarm codes. The security access system will be programmed with different levels of access so non-

management employee key cards can only be used to access the employee entrance from half hour prior to operating hours until a half hour after operating hours. Security parameters allow only the manager to enter the premises earlier than one hour before opening and later than one hour after closing. Once a manager enters, she will use the alarm panel to disarm the alarm.

Staff scheduled for each position have assigned pre-opening duties. Daily

⁴⁰ S.M.C. § 7.04.340(J).

opening procedures include turning on all computers, picking up any garbage around the facility, stocking items at reception and point of sale counters such as exit bags, restocking the sales floor with cannabis inventory, and cleaning the sales floor and bathroom.

Closing Procedures

At the close of business, a Security Officer will lock the front door. Treez, the point-of-sale inventory and sales tracking software, is programmed to not permit any sales in the system after the closing time. Each register will be counted by the Sales Consultant and the Store Manager using a “Closing Till Count” form which records and totals the number of bills and coins per denomination. Next, the amounts from the “Closing Till Count” form will be compared with the sales amount from Treez, which totals all sales that occurred at a POS station since the last time it was closed out and subtracts the beginning balance. When the numbers match, the funds from each register are combined with any earlier cash drops made from the unique register and put into a tamper-evident serialized deposit bag with the printed report, which the Sales Consultant and manager will sign and date. The deposit bag will also notate the POS station, the amount of the deposit, and the shift from which the deposit came. Any discrepancies will be investigated by management with the aid of security, if necessary, to properly identify the cause. The next day’s beginning balance will be counted by the manager and returned to the register’s till, which itself will be placed into the cash safe where it will await to be confirmed by the manager and Sales Consultant on the next shift. Sales Consultants will clean the back of house areas, the reception area, and restroom.

We will move all products from the sales floor into the secure product storage area, utilizing racks that hold product storage bins. Any products that had discrepancies from audits conducted during the day will be checked again at this time. The Manager will sign off on the closing duties sheet showing that all products have been secured and will leave the nightly inventory report for review the next morning. The cleaning of all areas and removal of trash will be recorded in the appropriate cleaning logs and signed by employees who completed each respective task. The premises will be kept in a sanitary condition to limit the potential for contamination or adulteration of the cannabis goods stored onsite. Once all cash and cannabis goods are properly secured in the secure product storage area and all closing duties have been performed, the Security Guard will view the security cameras prior to permitting employees to leave the premises and will verify there are no persons acting in a suspicious manner loitering around the premises. All employees will clock out for the evening and will leave the premises while the Manager arms the alarm system. Once outside, the Manager will physically lock the employee entrance/exit with a key. The Security Guard will escort all staff to their vehicles and ensure all employees leave the site safely.

When the store is closed, the premises will be securely locked and equipped with an active, monitored alarm system. Only authorized employees and governmental agents will be allowed to enter the premises after hours, except in emergency circumstances.

Prohibited Activity Involving Alcohol, Tobacco, & Cannabis

Santee Holistics will ensure that, on our premises, no alcoholic beverages are sold, dispensed, or consumed, and that no tobacco products are sold. Santee Holistics will ensure that no cannabis is consumed by any of our employees on the premises. Employees will be prohibited from reporting to work or working while under the influence of alcohol and/or other drugs that adversely affect the employee’s ability to safely perform his or her job duties. On-duty Security Personnel will patrol the premises and immediate surrounding area, including the parking lot, to maintain compliance.

Customer Product Handling Procedures

In conducting retail activities at the Storefront, Santee Holistics will only serve customers who are within the licensed premises or at a delivery address that meets the City's requirements. We will not conduct deliveries through the below methods, unless otherwise permitted by the City:

- The sale and delivery of cannabis goods will not occur through a pass-through window or a slide-out tray to the exterior of the premises.
- Retailers will not operate as or with a drive-in or drive-through at which cannabis goods are sold to persons within or about a motor vehicle.
- No cannabis goods will be sold and/or delivered by any means or method to any person within a motor vehicle.

Additionally, all cannabis goods sold by Santee Holistics will be contained in child-resistant containers and will leave the store in opaque exit packaging.⁴¹ We will employ uniformed licensed security personnel at the storefront retailer to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities on or near the premises or the surrounding site.

Cannabis Goods Display

Santee Holistics will only display cannabis goods for sale in the Retail Sales Area. Cannabis goods on display will not be readily accessible to consumers without the assistance of an employee. Santee Holistics will ensure that only the quantity of cannabis products needed to meet the daily demand is readily available for sale on-site in the Retail Sales Area, and that additional product is stored in a secured, locked areas to which customers will not have access.

⁴¹ S.M.C. § 7.04.360(G)(4)

Daily Purchase Limits

To stay in compliance with state law, Santee Holistics' employees will not exceed the daily adult- use consumer sale limits of 28.5 grams of non-concentrated cannabis, eight grams of concentrated cannabis (including concentrated cannabis contained in cannabis products), or six immature cannabis plants and for medical patients, the sales limit is higher and will not exceed eight ounces of medicinal cannabis in the form of dried mature flowers or 12 immature cannabis plants ("Sales Limits"). Santee Holistics will not sell edible cannabis products containing more than 10 milligrams of THC per serving or 100 milligrams per package.

Display of Sample Products

Cannabis goods on display as samples will not be readily accessible to consumers, but they may be removed from their packaging and placed in containers to allow for customer inspection. Such containers will not be readily accessible to customers without the assistance of an employee. The employee will remain with the customer at all times that the container is in the customer's possession. The cannabis goods removed from their packaging for display purposes will not be later sold or consumed but rather destroyed in accordance with Santee Holistics' waste management procedures.

Secure Product Storage

Santee Holistics will store all cannabis inventory at the Storefront in accordance with Santee Holistics' written policies and procedures regarding secure product storage in the interest of preventing theft, diversion, and loss. All cannabis inventory will be stored in a secured and locked limited access area and tracked in the statewide track and trace system.

Efficiently and Compliantly Completing the Transaction

All sales of cannabis products will be recorded on a sales invoice or receipt. Sales invoices and receipts may be maintained electronically and will be filed in such a manner as to be readily accessible for examination by employees of the licensing authorities or the California Department of Tax and Fee Administration and will not be commingled with invoices covering other commodities. Finally, customers will be offered comprehensive educational materials to correspond with every purchase.

G. Tracking and Monitoring Cannabis Products to Prevent Diversion

Santee Holistics has implemented a robust inventory tracking and monitoring system for cannabis products designed to effectively prevent diversion. Our comprehensive system integrates advanced technology solutions, including our POS system alongside stringent security protocols such as access control and surveillance cameras. This multi-faceted approach guarantees that all cannabis goods are accurately tracked throughout our facility—from receipt to sale—ensuring compliance with state reporting requirements and preventing any diversion of products. By maintaining real-time visibility and control over our inventory, we are committed to safeguarding our operations and upholding the integrity of our business.

Point-of-Sale Software and Inventory Unique Identifiers

Every cannabis product will receive a label with a unique (sequential) identification number. The label contains a barcode for scanning into the Treez system. The inventory control tags will be scanned in upon receipt to update inventory quantities. Treez stores and records the name and type of each cannabis good including the quantity, strain, variety, and batch number; unique identifier of the cannabis goods; amount (by

weight or count) and total wholesale costs of the cannabis goods; date and time of the activity or transaction including the acquisition, sale, or disposal; name and license number of other licensees in the activity or transactions for all the following information cannabis events:

- Sale of cannabis goods.
- Transportation of cannabis goods to a licensee.
- Receipt of cannabis goods.
- Return of cannabis goods.
- Destruction and disposal of cannabis goods.
- Laboratory testing and results.

Treez can track cannabis goods from receipt, through inventory storage, to sale to a customer. Treez can create records and organize the inventory by product type, brand, SKU number, and/or batch number, among other categories. It also allows us to re-order products based on inventory levels. Treez's recordkeeping software supports our inventory reconciliation operations. When it's time to count inventory, we use a Treez barcode scanner to scan the designated batch of inventory and the scanned file is then up-loaded to Treez for automated reconciliation and reporting. All inventory records are stored within Treez.

Santee Holistics will ensure that each day's beginning inventory, acquisitions, sales, disbursements, disposal of unusable cannabis goods, and ending inventory are documented in the statewide track and trace system, as well as Treez. The Manager will make all necessary changes to procedures and retrain employees immediately upon discovering a problem in inventory management procedures.

For sales transactions, Treez will record the date and time of the sale, the company-assigned unique employee identification number who dispensed the cannabis goods, the quantity purchased, price of cannabis goods sold, amount of taxes collected, the company-assigned unique customer identification number, the location where the sale took place (storefront address) and method of payment received. If the cannabis goods are being destroyed or disposed of, Treez will record the name of the employee performing the destruction or disposal, the date and time of the disposal, and the reason for destruction and disposal. Employees will also be required to enter a description for any adjustments made in the track and trace system and reason for adjustment including moisture loss, spoilage, fouling, damage, exposure or compromise of cannabis goods.

All transactions will be entered into the track and trace system within 24 hours of the transaction. Santee Holistics will only enter accurate information into the track and trace system and will correct any known errors in the information entered into the track and trace system immediately upon discovery.

Inventory Control Procedures to Prevent Diversion

Our inventory management procedures will ensure strict control over Santee Holistics' cannabis goods inventory from receipt of a shipment from a licensed distributor to final retail sale to a consumer or disposal as cannabis waste. Inventory management procedures will also include measures to prevent contamination and maintain the safety of all cannabis goods. Santee Holistics will maintain a record of all persons, patients, and primary caregivers served by the commercial cannabis business for a period of no less than seven years.

To prevent diversion, the Manager will conduct daily inventory reconciliation documenting and balancing cannabis inventory to confirm that the track-and-trace system matches the point-of-sale system and the amount of physical product at the Storefront. Informational errors will be corrected immediately upon

discovery. If discrepancies cannot be explained and corrected, management will conduct an audit to determine the source of the discrepancy and will notify regulators of any reportable activity.

Similarly, Santee Holistics will implement access controls on cannabis inventory to prevent diversion. Our inventory storage room is a limited access area subject to access control. Only credentialed employees have access to the Inventory Storage room. Further, all persons who enter the retailer will be immediately greeted in the Lobby by an employee who will verify that the person may remain on the premises and will direct them as necessary (e.g., sign into the visitor's log or await entry into the Retail Area). Any unauthorized person will be denied access to the facility and will be required to vacate the premises.

Santee Holistics will allow City officials to have access to our business's books, records, accounts, together with any other data or documents relevant to its permitted commercial cannabis activities, for the purpose of conducting an audit or examination, and the books, records, accounts, and any and all relevant data or documents will be produced no later than 24 hours after receipt of the City's request, unless otherwise stipulated by the City. If required, the materials will be submitted in an electronic format that is compatible with the City's software and hardware.

Santee Holistics will notify the City Manager within 24 hours after discovering any of the following:

- Significant discrepancies were identified during inventory.
- Diversion, theft, loss or any criminal activity involving the Santee Holistics or any of our agents or employee
- The loss or unauthorized alteration of records related to cannabis, customers or employees or agents of the commercial cannabis business.
- Any other breach of security.

Track and Trace Compliance

Santee Holistics will demonstrate to the City's Chief of Police and City Manager compliance with the state's track and trace system for cannabis products as soon as it is operational.⁴² Our executive management team members have extensive experience with METRC compliance already. Upon state licensure, Santee Holistics will add the Santee location to its already active account within the statewide track and trace system prior to engaging in any commercial cannabis activity in Santee, including the purchase, sale, destruction, and disposal of cannabis goods.

Designated Track & Trace Account Manager

Santee Holistics will designate one individual as our designated statewide track and trace account manager. Santee Holistics' designated track and trace account manager will be Tony Hall, our CEO who has already completed state-required METRC training. He will ensure all authorized users at our Santee Storefront are also properly trained and set up for successful inventory tracking duties.

As the statewide track and trace system account manager, the CEO will maintain a complete and up-to-date list of all authorized Santee Holistics system users. An employee's system account information will be kept up to date in the Statewide Track and Trace Authorized Users Log. Santee Holistics will ensure that only authorized individuals are able to access the statewide track and trace system on behalf of Santee Holistics

⁴² S.M.C. § 7.04.320(A)(14)

by promptly canceling user accounts in the event of employment terminations. This list will be provided to the DCC upon request.

The statewide track and trace system account manager will monitor all compliance notifications from the statewide track and trace system, resolving any identified issues promptly. Santee Holistics will keep records of all compliance notifications received from the statewide track and trace system, including how and when the issue was resolved. If Santee Holistics is unable to resolve the issue within three business days of discovery, Santee Holistics will notify the DCC immediately.

Employee Access to Inventory Tracking Systems

Santee Holistics' designated track and trace account manager, along with other members of our executive management team, have experience using METRC and have been trained on implementation and compliance. Our designated track and trace account manager will authorize and distribute additional statewide track and trace system account credentials to trained employees for the operation and maintenance of Santee Holistics' account. All authorized users will be required to have attended and successfully completed initial training prior to being granted access to the system. All statewide track and trace system users will also be required to participate in ongoing training as required by the DCC or Santee Holistics management.

Each employee who obtains access to the statewide track and trace system on behalf of Santee Holistics will be provided with unique system log-in credentials, consisting of a username and password. Santee Holistics representatives may only log into the statewide track and trace system using a log-in that has been assigned

to that Santee Holistics representative and may not share their account credentials with any other person. Only authorized and trained employees may access the statewide track and trace system.

Every authorized user of the

statewide track and trace system will enter data into the system in a manner that fully and transparently accounts for all inventory management activities at the Facility. Santee Holistics will track all employees' actions while they are connected to the statewide track and trace system or while conducting other activities associated with tracking cannabis goods inventory. Every user of the statewide track and trace system will ensure that every action completed while they are connected to the system or performing inventory

management activities is compliant with the rules set forth by the DCC and all applicable state and local laws and regulations. Employees' permissions within the track and trace system will be as limited as possible for efficient operations.

All Santee Holistics employees will ensure the accuracy of all information entered in the statewide track and trace system. Any inaccuracies or omissions may be considered a violation by the DCC. Any employee who enters inaccurate information or omits information will be subject to disciplinary action.

H. Waste Management Plan

Waste Disposal Locations

All cannabis waste will be quarantined and secured in a limited access area of the premises as shown on the floor plan. [REDACTED] Any cannabis product that is returned by the customer, expired, damaged, contaminated or non-viable in any way will be immediately segregated from the rest of the inventory, in order to avoid any contamination, and ultimately destroyed. Santee Holistics will dispose of cannabis goods only in a secured waste receptacle in an area of the premises accessible only to employees, the waste hauler, and law enforcement personnel. Santee Holistics will maintain accurate and comprehensive records regarding cannabis waste material and account for, reconcile, and evidence all activity related to the generation and disposal of cannabis waste. Santee Holistics staff will be trained to record all cannabis waste and activities related thereto in Treez and METRC.

Waste Disposal Security Measures

Santee Holistics will make designated cannabis goods into cannabis waste by rendering the cannabis goods unusable and unrecognizable. This rendering of the cannabis goods will be conducted in the limited access area of the facility which is accessible only to authorized individuals through secure locks. The limited access area itself and all entrances to the area are under video surveillance at all times. Rendering cannabis goods unusable and unrecognizable will be conducted under supervision by the Manager and strictly and promptly recorded in all inventory management systems and records. First, the Sales Consultant will remove the cannabis goods from any packaging and second, render the cannabis goods into cannabis waste in full view of Santee Holistics surveillance cameras on site before removing the cannabis waste from the premises.

[REDACTED] All cannabis waste and unusable cannabis will be disposed of in accordance with the rules set forth by the DCC and all applicable state and local laws, regulations, ordinances, and other requirement. The waste disposal system will receive enough maintenance and kept free of odor and pests to prevent all sources of contamination at the premises. Santee Holistics may also contract with an industry-leading permitted cannabis waste hauler that can complete the necessary waste rendering duties and issue certified waste tickets documenting the compliant destruction and disposal of the products.



B. Labor and Employment Plan

1. Number of Employees

Not including our experienced and highly skilled corporate staff, Santee Holistics expects to have 13 employees at startup and 16 at full capacity as our Santee operations expand and deliveries ramp up. The below chart details the number of employees Santee Holistics plans to employ at initial opening and the anticipated maximum number of employees Santee Holistics will employ when the storefront is at full capacity.

TITLE	INITIAL OPENING	FULL CAPACITY
Store Manager	1	1
Store Lead	2	3
Sales Consultants / Delivery Drivers	8	10
Security Officers	2	2

I. Local Recruitment

Our goal is to hire 75% of our workforce from City of Santee residents and 100% of our workforce from San Diego County residents. In order to source one hundred percent of our employees from our surrounding community, we will identify opportunities in the community to communicate our employment opportunities to County residents. In our experience, significant on-the-ground community outreach before opening is the best way to recruit local talent. A few of our core recruitment practices include the use of:

Local Publications

Santee Holistics will post information about any job openings in locally-circulated newspapers and periodicals. All newspapers and periodicals will first be vetted to ensure that their target audiences are comprised primarily of adults in San Diego County who are legally eligible to work at Santee Holistics' facility.

Targeted Digital Outreach

Santee Holistics will communicate job openings online through several different channels to ensure its communications are likely to reach viable job candidates. In addition to posting available employment opportunities on our website, we will also leverage our social media presence and advertising to target legally eligible adults who are geographically situated in Santee and San Diego County.

Online Job Platforms

Job openings at Santee Holistics' facility will be posted on popular online job sites, such as Indeed.com, ZipRecruiter, Monster.com, and CareerBuilder, among others. Utilizing online job platforms will allow us to communicate its open positions to qualified job applicants who may reside either within or outside of Santee. We will be able to put geofences on our job ads so only residents of Santee and San Diego County will receive them.

Local Job Fairs

Many opportunities stem from holding and participating in local job fairs. Not only are job fairs a chance to educate the community on cannabis and employment opportunities at Santee Holistics' facility, but they are also opportunities to spark meaningful relationships with community members and prospective employees. Santee Holistics will periodically host or attend job fairs as needed until it has met its goal of hiring one hundred percent of its employees from within Santee and San Diego County. Through hosting local events, we will attract local talent and will be able to directly engage with potential hires from all areas of the community. We recognize that, like any other business, success in cannabis retail requires a team of talented and dedicated individuals. Our San Diego community includes many qualified individuals, which has allowed us to build out and run our successful Holistics operations to date.

On-Site Bulletins

Santee Holistics will maintain an on-site bulletin to communicate important events and opportunities to its customers. Bulletin communications will include information about open positions at Santee Holistics' facility. A discount may be offered to customers who refer a viable candidate to us.

Customer Mailing Lists

Santee Holistics maintains a list of customers who have provided their contact information, such as their phone numbers and email addresses, and who have opted in to receive text and/or email messages from our business. Santee Holistics may send texts and/or emails to customers who have elected to receive communications from Santee Holistics sharing information about open positions at Santee Holistics' facility. We may offer a limited discount to customers who refer a viable candidate to Santee Holistics. Customers will be able to opt out of receiving such communications at any time.

2. Employee Responsibilities

The following section details all job positions to be employed at Santee Holistics, including their responsibilities and salary ranges. We included an organizational chart below to show how our team is organized. In compliance with S.M.C. § 7.04.310(B), Santee Holistics will maintain a current register of the names and contact information (including the name, address, and telephone number) of anyone with an ownership interest in the business, as well as all the officers, manager, employees, agents, and volunteers who are employed with Santee Holistics. The register will be provided to the City Manager upon request.

A. Management Team

Chief Executive Officer - Tony Hall

Our Chief Executive Officer (“CEO”), Tony Hall, has over 25 years of outside sales experience and government contract work, having owned and operated his own chemical distribution company. Our CEO will provide leadership in achieving the Santee Holistics’ vision, mission, strategy, and annual goals. Tony will be responsible for leading the Management Team, initial staffing, communicating, and cooperating with the DCC. He is also responsible for the development of strategic communications strategies, representing Santee Holistics at local events, and interfacing with local media. The CEO builds and sustains the company’s reputation for quality, reliability, and consumer satisfaction, approves press releases, and oversees all communication sent to the public and, when necessary, the DCC or the City of Santee. Responsibilities include managing the Santee Holistics’ brand and reputation and ensuring the public views the organization favorably.

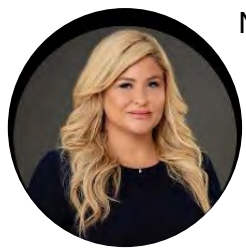


Chief Operating Officer - Doug Gans



Our Chief Operating Officer (“COO”), Doug Gans, will report to the CEO and be responsible for day-to-day operations and the development, design, operation, and improvement of Santee Holistics’ systems. Doug brings over a quarter century of sales experience from the Vice President position he held at one of the largest, fully integrated total packaging solution companies in the United States. There he had extensive experience overseeing operations, but also managing employee policies, experience that has proved invaluable in the design and implementation of our Labor and Employment Plan. His chief responsibilities include oversight over all operational policies and day-to-day operations, including review and approval of all standard operating procedures.

Managing Director, Chief Financial & Compliance Director – Meredith Burdett, MBA



Meredith Burdett joined the Holistic family in 2024 as Chief Financial & Chief Compliance Director (“CFCD”). As our esteemed CFCD, Meredith is responsible for driving profitable growth and improving fiscal and operational efficiencies. Meredith brings over 20 years of experience in sales, corporate leadership, and business strategy. Based on Meredith’s experience, Meredith is prepared to implement successful, safe, and compliant operations in Santee, while continuing our tradition of community support and

philanthropy. Her prior experience in heavily regulated industries as well as her current experience in the cannabis industry uniquely position Meredith to succeed in navigating the complex commercial cannabis regulations and tax structures. Meredith will be responsible for tracking all financial transactions and remitting tax payments in a timely manner. As CFCD, Meredith will report to the CEO and oversee Holistics' financial books and records, implement, assess, and update training programs for employees, and perform regular audits of storefront operations to ensure compliance with all local and state laws and regulations.

Marketing Director - Ruthie Edelson



As Marketing Director, Ruthie is responsible for our advertising practices, public relations, social media, implementing brand strategies, and overseeing marketing campaigns. Her expertise in cannabis retail management and community relations has been instrumental in developing responsible advertising strategies and fostering meaningful relationships with local organizations. With extensive knowledge of state and local advertising regulations, Ruthie ensures full compliance while effectively reaching and educating the community. Ruthie will report to the COO and work closely with the

sales team to support their objectives by providing them with appropriate tools, materials, and presentations.

Purchasing & Quality Assurance Manager - Kalina Fernandez

Kalina Fernandez will serve as the Purchasing and Quality Assurance Manager. In this role, she leads our product procurement activities and curates the menu for our storefronts. She has experience conducting due diligence on our vendors, including verifying licensure status, evaluating products for quality and quality assurance, negotiating terms, and placing orders. She also has strong relationships with all of our future vendors who greatly appreciate the professionalism she brings to the industry.



Prior to joining our team, Kalina had a successful career as an international director of sales and education with various cosmetic companies. As Purchasing and Quality Assurance Manager, she reports directly to the COO and will oversee all purchasing and quality assurance protocols. Kalina is also responsible for planning and directing quality assurance policies, programs, and initiatives.

Inventory Manager - Joe Azua



Joe Azua is an experienced cannabis professional and proven leader. As Inventory Manager, he is responsible for overseeing and improving our inventory protocols and integrated quality control procedures. Joe is also responsible for recordkeeping and tracking each product from seed to sale. He is incredibly knowledgeable with Santee Holistics' chosen seed-to-sale software as well as the California statewide track and trace system. He will ensure accountability throughout the supply chain to prevent

diversion. Joe will report to the COO and be responsible for instilling a culture of compliance both on the inventory team and the overall store team.

Security Liaison – David Bejarano



David Bejarano will serve as our Security Liaison and manage facility security. David has an impressive background as the former Chief of Police for the City of Chula Vista from 2009 - 2016, as well as the owner of his own security consultant business. He also served in the U.S. Marshals Service and worked for the City of San Diego Police Department. Davis will report to the COO and oversee the installation and operation of security systems, ensure compliance with all rules and regulations, and supervise Security Officers in Santee Holistics' facility, as well as ensure safety protocols for the retail facility's visiting customers and all cannabis products moved

within the facility. The Security Liaison is responsible for all security-related matters and will work closely with retail management to ensure security protocols are being followed.

Human Resources Manager

The Human Resources Manager is responsible for supervising and providing consultation to management on strategic staffing plans, compensation, benefits, training and development, budget, and labor relations. The Human Resources Manager will also take a leadership role in developing a culture that enables Santee Holistics employees to perform in accordance with the organization's objectives. The Human Resources Manager will report to the CFCO regarding the implementation of employee policies and procedures.

B. Store Employees

While the remainder of the positions at our Santee facility described below remain unfilled, upon licensure Santee Holistics will quickly and expertly implement our local hiring plan to fill all open positions. The anticipated starting salary for all open positions is included below.



Store Manager

Salary: \$68,000

The Store Manager reports to the COO and oversees all phases of cannabis sales while supporting the quality assurance efforts. The Store Manager will plan, organize, and control day-to-day retail operations under applicable industry standards and oversee the management of all in-store employees. They will oversee the Store Leads, as well as provide high level oversight over all Sales Consultants.

Store Leads

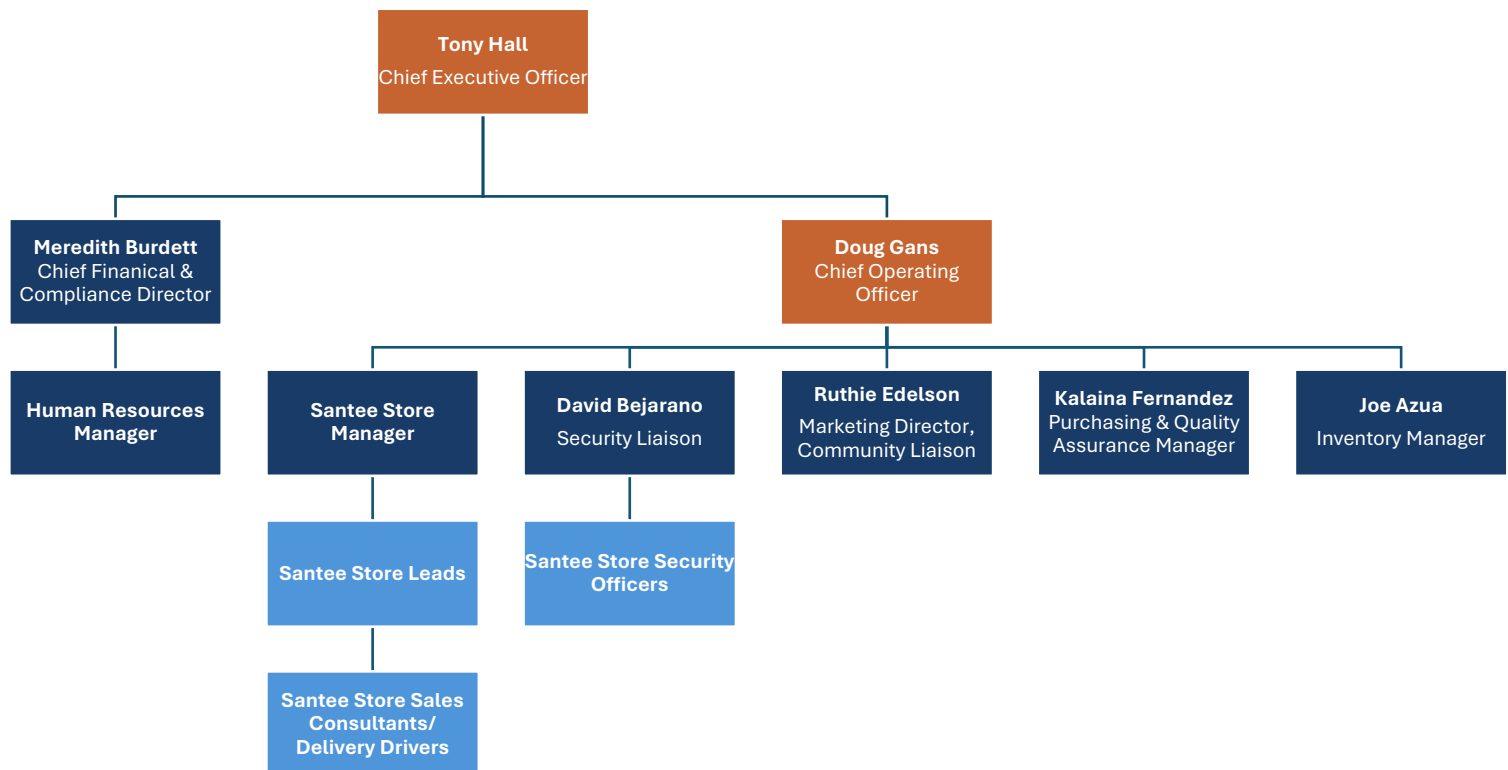
Salary: \$44,520

Store Leads report to the Store Manager. Store Leads will help oversee all phases of receiving, storing, and selling cannabis products. The Store Leads will help plan, organize, and control day-to-day retail operations to ensure industry standards and ensure that cannabis goods are acquired, stored, handled, displayed, sold, and delivered efficiently and to internal, state, and local standards.

Sales Consultants / Delivery Drivers

Salary: \$39,520

Sales Consultants report to the Store Manager. These individuals are the face of our operations and critical players in cultivating consumer loyalty and satisfaction. Sales Consultants will interface with customers and patients, whether in the retail area of the facility or at the door of a customer's home conducting deliveries, hence they must have excellent interpersonal communication skills, expertise regarding a range of different cannabis goods and consumption methods, and an upbeat demeanor. Sales Consultants will be responsible for making compliant sales, stocking the displays in the retail area, securing inventory at the close of business, carrying out opening and closing procedures, and maintaining a clean and welcoming retail environment. They may also provide general office support and are responsible for answering incoming calls, directing calls to appropriate staff, mail distribution, flow of correspondence, requisition of supplies as well as additional clerical duties. They will maintain accurate records of identification documents and manage customer flow. Prior retail experience and familiarity with cannabis is strongly preferred, but not required.



Security Officers

Salary: \$52,000

Santee Holistics intends to enter a contract with a private patrol operator who will furnish Security Officers to secure and protect the retail operation. Security Officers will comply with the requirements of the state of California and the City. The Security Officers will report to Security Liaison and are responsible for implementing and improving security protocols. The Security Officers are responsible for authorizing access to Santee Holistics' premises, monitoring surveillance footage, maintaining control of the premises and the immediate surrounding areas, handling security incidents, and other security-related tasks as directed by the Security Liaison.

3. Employee Benefits

Santee Holistics intends to hire local residents from Santee and San Diego County to fill all our available positions. We look forward to offering our local employees a living wage and comprehensive benefits package. Our planned employee benefits, as well as training and continuing education opportunities, are detailed in this section.

Compensation

Santee Holistics projects that over a three-year period we will provide our world-class employees with nearly \$2.4 million in compensation and benefits to our employees. As job creators and leaders in the cannabis industry, we recognize our obligation to ensure our employees can provide for their families and have confidence in their careers. We will offer a suite of progressive benefits that consider the holistic needs of each individual, not just our bottom line. We anticipate these benefits including, health insurance, education benefits, training, and retirement benefits. Hourly wages for all positions aside from contracted Security Guards will increase by a minimum of \$0.50/Hour each year.

An in-depth breakdown of our compensation model by position for Year One is located below:

TITLE	Hourly Wage	COMPENSATION	TOTAL COMPENSATION WITH TAXES & BENEFITS
Store Manager	\$32.6/Hour	\$68,000/Year	\$88,720/Year
Store Lead	\$21.3/Hour	\$44,520/Year	\$56,376/Year
Sales Consultants / Delivery Drivers	\$18.9/Hour	\$39,520/Year	\$51,376/Year
Security Officers	\$24.9/Hour	\$52,000	\$52,000/Year

An in-depth breakdown of our compensation model by position for Year Three is located below:

TITLE	Hourly Wage	COMPENSATION	TOTAL COMPENSATION WITH TAXES & BENEFITS
Store Manager	\$33.6/Hour	\$70,100/Year	\$88,820/Year
Store Lead	\$22.3/Hour	\$46,640/Year	\$58,496/Year

B. Labor and Employment Plan

Sales Consultants / Delivery Drivers	\$20.1/Hour	\$41,900/Year	\$53,756/Year
Security Officers	\$24.9/Hour	\$52,000/Year	\$52,000/Year

Health & Wellness Benefits

Health Insurance

Santee Holistics will strive to provide all full-time employees with a suite of comprehensive healthcare benefits, including serology and antibody testing. We will negotiate affordable co-pays and fair deductibles and insist on a robust network of doctors and healthcare providers. Santee Holistics is committed to offering full-time employees compassionate healthcare benefits such as:

- Primary Care
- Prescription Drug Coverage
- Emergency Services
- Dental and Oral Care
- Testing & Laboratory Services
- Maternity & Infant Care
- Pediatric Services
- Preventive & Wellness Services
- Behavioral Healthcare
- Hospitalization
- Ambulatory Patient Services
- Physical Therapy
- Rehabilitative & Habilitative Services & Devices
- Chronic Disease Management

Vision & Dental Insurance

All employees and their families are eligible to participate in Santee Holistics' vision insurance and dental insurance program.

Employee Assistance Program

Santee Holistics offers confidential assistance in resolving emotional, substance abuse, financial, marital, and stress-related problems for our employees and their immediate families. The cost for consultation with a counselor is fully paid by Santee Holistics subject to certain annual limits.

Financial Wellness Benefits

401k Retirement Program. Santee Holistics will offer employees an opportunity to invest a portion of their paycheck into a 401k or substantially similar retirement account and hope to offer a generous matching contribution. A 2018 report by the National Institute on Retirement Security noted that the "median retirement account balance is \$0 among all working-age individuals" and that "4 out of 5 working Americans have less than 1 year's income saved in retirement accounts." ¹ We want to reverse this discouraging trend and invest in our employees' futures.

Employee Discount

It should not come as a surprise that many of our employees work at Santee Holistics because they like cannabis. Employees are provided with a 45% employee discount that is good for all cannabis products at Santee Holistics.

Financial Education Webinars

Santee Holistics provides access to basic financial education webinars. The financial education program is designed to teach a practical understanding of financial literacy knowledge. Employees are introduced to the fundamentals of personal financial management as they outline personal financial plans, create budgets, propose a personal saving and investing plan, select strategies to use in handling credit and managing debt, demonstrate how to use various financial services, create a personal insurance plan, and examine how a choice of career and lifestyle will affect a financial plan.

Personal Wellness Benefits

Santee Holistics knows work-life balance is an important element in total well-being and provides Paid Time-Off (PTO) benefits such as vacation, sick time, paid holidays, as well as maternity and paternity leave.

Vacation & Paid Leave

Santee Holistics provides benefit-eligible associates with paid leave that increases with their length of service. All employees are eligible for at least 2 weeks of paid leave per year. Employees can use this time for vacations, sick days, or paid time off.

Leaves of Absence

All employees are eligible for unpaid leaves of absence for family or medical reasons in accordance with the federal Family and Medical Leave Act (FMLA). FMLA leave is available: (a) for the employee's own serious health condition that makes the associate unable to perform his or her job functions; (b) to care for a spouse, child, or parent with a serious health condition; and (c) for the birth of a child or the placement with the associate of a child for adoption or foster care, or to care for the child during the 12 months after the birth or the placement.

Maternity & Paternity Leave

In addition to FMLA leave, Santee Holistics offers an extended one week of paid leave to all full-time employees welcoming a new child into their family. This policy applies to all employees regardless of sex, gender, or sexual identity.

Tuition Aid

Santee Holistics helps employees pay for business-related courses toward associate, bachelors, masters, and doctorate degrees, or other education related to their job. Employees are encouraged to apply for a tuition aid grant.

Volunteer Time Off

Santee Holistics supports its employees' desire to give back to their community by volunteering. **As part of our community benefits program, we allocate 20 hours per year per employee in paid volunteer time.** Employees can volunteer at a local organization of their choosing or support events or volunteer initiatives that Santee Holistics sponsors or organizes. We are supportive of our employees' desire to be visible leaders within the community.

Employee Training

As the first licensed retailer in California, our team has extensive experience training new employees in new markets. Research shows staff training and development has a wide array of beneficial impacts on employees

and employers alike, including increased job satisfaction and morale among employees, as well as increased motivation and efficiencies in processes, resulting in financial gain. Santee Holistics will ensure all employees have the education, training, and experience to enable all of our employees to perform their assigned functions and feel fulfilled in their career development. Our executive team has crafted a comprehensive employee training manual and corresponding education program that is compliant with California law. All employees will receive the Santee Holistics' employee training manual prior to orientation and their first scheduled shift. Our best-in-class training manual and program will cover the following topics.

Workplace Safety

We have firsthand, field-tested knowledge of the training and hazard mitigation needed to maintain a safe facility. All employees will receive, at a minimum, the following workplace safety training: hazard mitigation strategies; contamination prevention; procedures and instructions for responding to emergencies; and any training required by California OSHA guidelines. Santee Holistics will collaborate with our local health departments to establish proper social distancing measures and other related issues to a public health crisis.

Security & Diversion Prevention

Santee Holistics will collaborate with local law enforcement to train our employees on identifying and mitigating threats, awareness and evaluation of risks, and responsible incident management. To further bolster our security protocols, all employees will be trained on de-escalation techniques so they are equipped to diffuse a situation, should tensions rise. To prevent diversion, employees will be trained on all the qualifications for sale of cannabis products. Special attention will be given to ID verification and likely indicators of fraud.

Inventory Management & Point of Sale

Employees will be trained to document and record every product, transaction, sale, and return using California's track and trace software and our point-of-sale system. There will be multiple layers of verification built into our protocols to confirm that all transactions have been properly recorded at the end of each day, and that inventory on hand matches inventory in the track and trace system.

Inclusivity, Diversity, & Anti-Harassment

Employees will be trained on diversity and inclusion training programs, which include instruction on counteracting unconscious bias, overcoming resistance to change, and other topics designed to help employees improve relationships and enhance collaboration. Our company mandates both written and in-person training to support our anti-harassment policies. Harassment prevention, identification, and mitigation policies will be individually disseminated to all, in writing, as part of our employee training manual.

Substance Abuse

Santee Holistics will host a substance abuse counselor from San Diego County to train employees how to identify potential victims of substance abuse; outline appropriate responses; and educate employees on where and how to refer customers for help.

Compliance Training

As owners and compliant operators of licensed California cannabis businesses, we know that comprehension and implementation of regulatory compliance are necessary for the success of a cannabis business. We have engaged the renowned Vicente LLP law firm to provide comprehensive California and

B. Labor and Employment Plan

Santee compliance training for all employees and management. These innovative legal trainings will provide our employees with a working knowledge of all cannabis regulations, rules, and requirements.

Employees will continually demonstrate a working knowledge of training materials and all standard operating procedures as a condition of employment. Team leads will conduct monthly meetings to cover interim training updates and topics. We will conduct annual mandatory refresher training regarding all job-related standard operating procedures. Employees will receive at least 12 hours of ongoing training annually or more often as necessary to maintain compliant, safe, and productive operations.

Finally, we hope to work with the City to develop a collaborative training program for Santee's burgeoning cannabis industry. We have developed and continue to refine our best practices through painstaking trial and error and are committed to sharing our battle-tested tools of the trade with Santee staff and our community. This training program will focus on strengthening the effectiveness of supervisory and/or management staff by establishing a common understanding of basic HR, IT, and fiscal policies and procedures. Together with local leaders, we hope to implement a talent development initiative that engages, trains, transforms, and works collaboratively with middle managers to change organizational culture in area businesses into one that focuses on transitioning to a high-performance organization.



Product Knowledge

Santee Holistics requires that all employees have a solid foundational knowledge of cannabis and cannabis products. Our training materials cover what we consider to be "Cannabis 101." During this foundational training, employees will come to understand the difference between cannabis that is indica, sativa, or a hybrid, and that strains exist within each type. They will also learn about different extraction methods and the various concentrates or extracts that are produced, as well as the types of infused products that can be produced from those extracts. Employees will be taught about product potency and the variance among different products before finally learning about the products we have to offer at our facility.

Santee Holistics provides comprehensive education on the different types of cannabis products: (i) cannabis flower: smoke and vape; (ii) edibles; (iii) concentrates, differences in potency and product, and extraction types; and (iv) sublingual, capsules, transdermal, and topicals.

As part of their training, employees will need to be able to demonstrate that they understand the differences between the major cannabinoids and how they are represented on product labels, the nature of full-spectrum cannabinoids and terpenes, and the different distillates of manufactured cannabis products. This knowledge

will allow dispensary staff to educate customers on what is contained in each cannabis product and how the product might affect the customer when consumed based on the product's potency and composition. Overlapping with knowledge of cannabinoids is knowledge of the endocannabinoid system in the human body. While knowledge of the endocannabinoid system does not relate to individual cannabis products, it will give employees context for explaining product effects and potential interactions.

Potency

Santee Holistics provides comprehensive training on cannabis potency. Potency refers to a particular product's amount of THC. Cannabis today is much more potent than in the pre-legalization era. We train our employees on the THC limits in various types of cannabis goods and how the potency of the product will depend on how the product is administered. In addition, we train our employees to advise customers, especially first-time customers using edibles, to go "low and slow." Higher potency products can take people by surprise and lead to accidental over-ingestion. Our employees learn that cannabis flower (often smoked) is less potent than cannabis concentrates, such as waxes, dabs, vapes, and edibles. This is an important because although cannabis flower is our top-selling item, cannabis concentrates and edibles are growing in popularity. We make sure our employees understand how cannabinoid contents are expressed on labels, especially as it relates to multi-serving items such as edibles. Finally, we teach our employees there is little information available on the long-term health effects of high-potency products. However, many public experts have identified them as an area of primary concern as it relates to intoxicated driving, potential overconsumption, and leading to cannabis use disorder.

Customer Service

Santee Holistics endeavors to provide exceptional customer service. The community expects prompt and professional customer service. Throughout the training, our employees quickly come to understand the high standards of respect, professionalism, and communication that we expect our employees to deliver. Our customer service processes are tried, tested, and proven by the company's flawless record of compliance. We train our sales associates to be polite, professional, and knowledgeable.

Continuing Education

As a social justice-oriented business, we know employer-provided educational benefits have the power to lift families out of poverty and create opportunities for economic advancement. Our goal is to educate and empower our staff to stay on the cutting edge of cannabis science. We will achieve this goal by offering tuition reimbursement for continuing education courses and cannabis education workshops. Our employees will be encouraged to complete online courses and certificate programs to continue to build their knowledge base surrounding cannabis dispensing and consumption. As leaders in the industry, we understand that by offering our employees continuing education opportunities, we will foster their personal development, which will in turn propel the overall success of Santee Holistics.

We will collaborate with Green Flower or an equivalent online educational platform to offer the Fundamentals of Cannabis Certificate Program to our employees. Founded in 2018, the Green Flower program is utilized by top cannabis organizations and associations to educate their workforce, including Holistics. All our employees at our sister company Mammoth Holistics have completed Green Flower's Sell-SMART training. Sean, our Store Manager at Mammoth, shared that: "The Sell-SMART course was very informative and covered all the basis needed for legal cannabis sales in California. This is a great training course for retail employees and definitely helped our staff start out on the right foot." We will similarly encourage all our Santee employees

to complete Green Flower's Fundamentals of Cannabis Certificate Program by offering it free of charge. Through this local program, our employees will be introduced to topics that are vital to cannabis success, including but not limited to an overview of cannabinoids and terpenes, the endocannabinoid system, the biology and botany of cannabis, proper dosing protocol, safe cannabis consumption, and cannabis products and delivery methods. Green Flower offers an online platform and certification.



We will also encourage our employees to conduct business development activities, such as attending networking events and conferences. Events may include the internationally recognized Marijuana Business Conference and Cannabis Expo or Cannabis Conference. We will also encourage attendance at local events such as CannaGather. We will continue to encourage business development and networking at gatherings such as the world-renowned Benzinga Cannabis Capital Conference. Through continuing educational opportunities, and by developing relationships and dialogues with other cannabis professionals, our employees will possess skill sets unparalleled in the industry. These experts will then guide our retail operations and provide our customers with best-in-class service.

Diversity and Inclusion Programs

Santee places a special and well-deserved emphasis on continuing and fostering the education of its workforce. We aim to work with the local workforce assistance center, San Diego Workforce Partnership, to increase opportunities for our employees and other job seekers. The Workforce Partnership offers employment services to the local community, including individuals with disabilities and veterans, and training services for local employers. We hope to work with this organization to ensure local residents have access to the resources they need to foster their professional development.

Kalina Fernandez will spearhead our local hiring initiatives. As previously mentioned, our goal is to **hire 75% of our managers and employees from City of Santee residents and 100% of our workforce from San Diego County residents**. Leveraging her local connections, Kalina has developed strategic recruiting tools to ensure we have a diverse workforce that reflects the neighborhood we serve. At a minimum, these strategic recruiting tools include:

- Collaborating with community-based organizations and placement services, such as the San Diego Workforce Partnership and its Diversity Equity and Inclusion program.
- Advertising job posting in local newspapers, like the San Diego Tribune.
- Attending and participating in local job fairs such as San Diego Veterans Job Fair.
- Utilizing platforms such as www.diversityworking.com to find diverse local talent.

B. Labor and Employment Plan

- Form alliances with Hispanic Serving Institutions (HSIs) to recruit recent college graduates.
- Partnering with the Office for Equity, Diversity, and Inclusion at UCSD to identify college students aged 21 and over who are interested in the cannabis industry.

Our strength as a company is and will be defined by the opportunities created for everyone, especially people of color, veterans, women, the LGBTQ community, and other disadvantaged or underrepresented local communities. In order to promote a culture of inclusivity, representation, and equity, we will implement the described local, diverse hiring strategies. Santee Holistics will foster an environment where personal identity, heritage, race, gender, language, age, and military service are recognized as assets and those assets are celebrated, respected, and valued. Hiring diverse local workers means Santee Holistics is uniquely qualified to understand the needs of the people we serve in San Diego County.

To support hiring a diverse workforce, Santee Holistics will implement diverse interview slates for key positions. Each pool of candidates interviewed for an identified position will include at least one woman and one member of a minority group. This will encourage diverse perspectives in the feedback and evaluation of candidates. We intend that our approach will ensure that members of currently underrepresented populations are interviewed with appropriate consistency.

In order to ensure diverse work and life experiences, we do not exclusively recruit individuals who have experience in the cannabis industry. While cannabis experience is helpful, there is no typical profile that defines a successful employee at Santee Holistics. We employ people with diverse work and life experiences, such as mothers, accountants, retail salespeople, and high school graduates to name a few. We have found that individuals from industries outside cannabis bring a fresh perspective and skill set to our work.

Similarly, our commitment to equitable hiring supports hiring individuals with diverse work and life experiences. As a practice, we support the hiring of individuals who were victims of the war on drugs. Thus, a cannabis or similar criminal conviction will not automatically disqualify someone from applying to work at our Santee storefront. We believe that their diverse work and life experiences are a benefit to our company.



Santee Holistics is committed to pay equity and ensuring that women, men, and people of all races are paid fairly. Santee Holistics will utilize several tools to achieve pay equity, including regular compensation analyses, using an “offer standards calculator” to determine starting pay and transparency regarding the Company’s progress toward pay equity. Because we have developed and refined these tools in other operations, we are confident in our ability to deliver the same outcomes in Santee. Santee Holistics will ensure 100 percent pay equity for women and men and people of all races for performing similar work. To that end, Santee Holistics will not ask job applicants about their salary history and provide salary ranges to any

candidate who requests it. Santee Holistics is committed to continually monitoring partner compensation to ensure that disparities do not occur.

Equal Opportunities for Employee Development

Santee Holistics has designed its labor programs to ensure equal opportunities for employee advancement and development. Individuals who work on Santee Holistics' management team have all advanced through the company's development program. Santee Holistics has implemented a policy to fill job vacancies from within the organization before seeking outside candidates. Santee Holistics prefers to promote existing employees due to their institutional knowledge and familiarity with company operations. Santee Holistics will notify its entire workforce of job opportunities within the companies through a company newsletter, email list, and at team meetings

Labor Peace Agreement

Finally, in recognition of our employees' right to form, join, and participate in the activities of employee organizations for the purpose of representation on wages, benefits, hours, and other conditions of employment, Santee Holistics will enter into a Labor Peace Agreement ("LPA") with California labor union in accordance with state law mandate for cannabis companies. Once licensed, we intend to collaborate with key Santee Holistics staff members regarding negotiations with local labor unions to best assess the employee perspective on various union offerings. Management will never interfere with our employees' right to organize and join any labor union. Our ownership and management team are supporters of employee organizations and collective bargaining in the interest of increasing job security, benefits, and workplace safety. We have worked with UFCW at our prior locations and have entered into Labor Peace Agreements with them.

C. SECURITY PLAN

1. Qualified Security Professional

The safety and security of guests, employees, the facility, and the surrounding community is one of the highest priorities for Santee Holistics. Former Chula Vista and City of San Diego Police Chief and current international security consultant and business owner, David Bejarano, is the preparer of the following Santee Holistics Security Plan. He will serve as Santee Holistics' Security Director and Liaison per Santee Municipal Code Section SMC 7.04.320(B). He will be available to meet with the City Manager's designee regarding any of the project's security measures and/or operational issues.

Retired Chief Bejarano is a nationally recognized law enforcement executive and security professional. Chief Bejarano's law enforcement's career spanned over 35 years, in addition to ten years of private security experience. He previously served as the Police Chief of the San Diego and Chula Vista Police Departments, the U.S. Marshal for the Southern District of California and served as the President of the California Police Chiefs Association (CPCA). Additionally, he completed hundreds of hours of security and crime prevention training provided by the U.S. Secret Service and as a graduate of the FBI National Academy. During his tenure as the CPCA President, he led a small group of police executives who provided public safety

recommendations to the Governor and the California Attorney General, for inclusion in the California Department of Cannabis Control Regulations (DCC).

Another career highlight, under Chief Bejarano's tenure, San Diego PD was recognized as the leader in expanding the use of less-than-lethal equipment, addressing racial profiling and enhancing Neighborhood Policing. Mr. Bejarano is a nationally recognized expert in police/community partnerships, major event security planning, and trans-national crime.

Chief Bejarano conducted an on-site security assessment of the proposed business property at 10017 Prospect Ave., prepared the security plan, provided input to the architect team on the proposed facility floor plan, and will be responsible for the implementation of the security plan, on-going monitoring of all security training, policies, protocols, and review of employee background investigations. A current copy of the security plan will be maintained on-site and available upon request.

Additionally, Chief Bejarano will ensure the following requirements are in full compliance per SMC 7.04.320(B)(1)(2)(3)(4)(5)

- Confirmation that a designated manager will be on duty during business hours and will be responsible for monitoring the behavior of employees.
- Provide a list identifying all managers of the business and their contact numbers.
- Confirmation that first aid supplies and operational fire extinguishers are in the service areas and the manager's office.
- Confirmation that burglar, fire, and panic alarms are operational and monitored by a licensed security company 24 hours a day, seven days a week, and provide contact information for each licensed security company.

2. Premises Diagram

A. Floor Plan Development

Santee Holistics will be located at 10017 Prospect Ave., Santee, CA 92071. The Retail Sales area will consist of approximately 657 SF. The front entry of the business is on the north side of the building, facing the parking lot and Prospect Ave. The positioning of the entry into the business provides high visibility by passing vehicular traffic and parking activity to reduce the potential for suspicious or criminal activities from occurring.

Fire lanes will be strictly enforced by security staff.

It is important to note that all retail sales area security protocols, policies, alarms and video surveillance systems, and monitoring by uniform security will be in place for the Storage and Receiving section of the facility. Additionally, all incoming cannabis goods will be stored separately and distinctly from other cannabis goods on the premises until reviewed and accepted into formal inventory.

The facility will incorporate security features to minimize the risk of diversion, loss, and theft of cannabis and cannabis products. All security measures will be designed to prevent unauthorized entry into limited-access areas. The security measures at a minimum will include the following:

- Prohibiting individuals from remaining and lingering in the retail premises, if not actively engaged in business activities related to the retail operations
- Restroom facilities shall always remain locked and under management control
- Establishing secure limited-access areas, restricting access to only authorized personnel. SMC 7.04.320(A)(3)
- Storing all cannabis and cannabis products in a secured and locked vault equivalent, except when in secured display areas within retail operations to prevent diversion, theft, and loss. Safes and vaults will be compliant with Underwriters Laboratories, LLC burglary and fire-resistant standards. SMC 7.04.320(A)(4)
- Posting the name and emergency contact phone numbers for the COO and the on-site manager in a location visible from the front of the building exterior (font size at least two inches). The posting will provide the City Manager and the Sheriff's Department, and others to immediately contact them for any security related incident or other emergency
- Maintain twenty-four (24) hour video surveillance of the retail premises, parking, adjacent areas, and sidewalks in front of the business to quickly detect and address suspicious and/or criminal activities.
- A "mosquitoes" high frequency sound system will be installed to prevent loitering and/or vandalism on the property after hours. SMC 7.04.320(A)(18)

B. Premises Diagram

In addition to the site plan submitted for the Proposed Location (See Section G), a separate Premises Diagram will be included in this Security Plan. Together, the following Site Plan (which is also included in Section G: Proposed Site Plan) and the Premises Diagram meet the requirements of the Department of Cannabis Control CCR Title 16, Division 42, Section 5006 Premises Diagram.

- The Site Plan shows the boundaries of the property and the Premises Diagram shows the proposed location to be licensed, showing all boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, windows, and doorways. A brief statement or description of the principal activity to be conducted therein is included below.
 - Entry/Check-In: The Entry/Check-In Room is an area in the Retailer in which Santee Holistics customers, patients, visitors, and other persons will check in with a Sales Consultant and/or Security Officer on duty and wait to enter the Retail Sales Area or any limited access area, if an authorized visitor with a bona fide reason for entering access-limited spaces.
 - Sales Area: The Retail Sales Area is the area in which cannabis goods will be displayed and sold to lawful consumers. At least one employee will be physically present in the Retail Sales Area at all times when customers and other persons not employed by Santee Holistics are present. When closed to customers, access to the Retail Sales Area will be limited to authorized employees only and otherwise secured with doors outfitted with commercial keypad entry locks.
 - Office/Record Storage (Limited Access): The Office will be utilized for required business operations and business records storage including surveillance records storage in compliance with applicable state and local laws. As such, access to this room will be limited to the Store Manager and those authorized by the Manager. Surveillance camera footage can be replayed back in the office.
 - Cannabis Product Storage and Receiving (Limited Access): All cannabis inventory will be stored in a secured and locked limited access area and tracked in the statewide track and trace system. Incoming product, upon receipt, will be moved to an area within the Storage Room where it will be

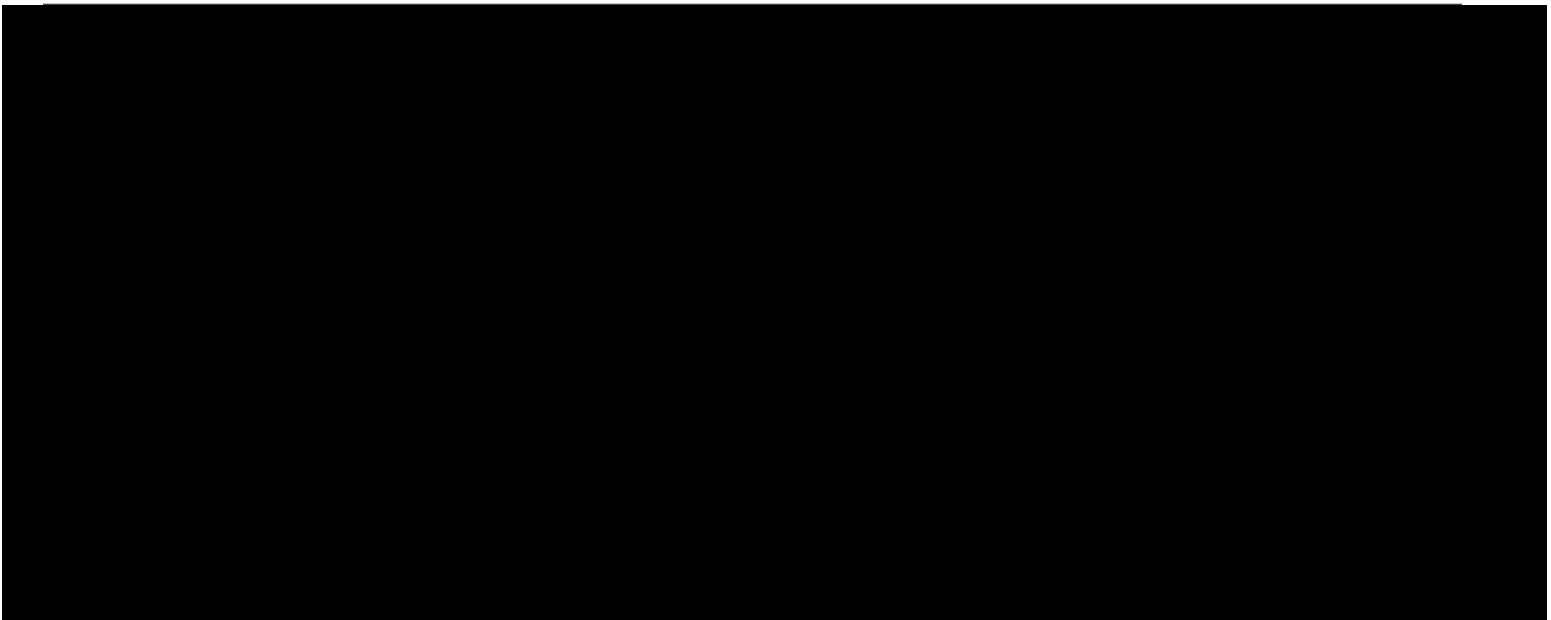
examined for compliance and quality before being formally accepted into inventory and then stored with the store's existing inventory.

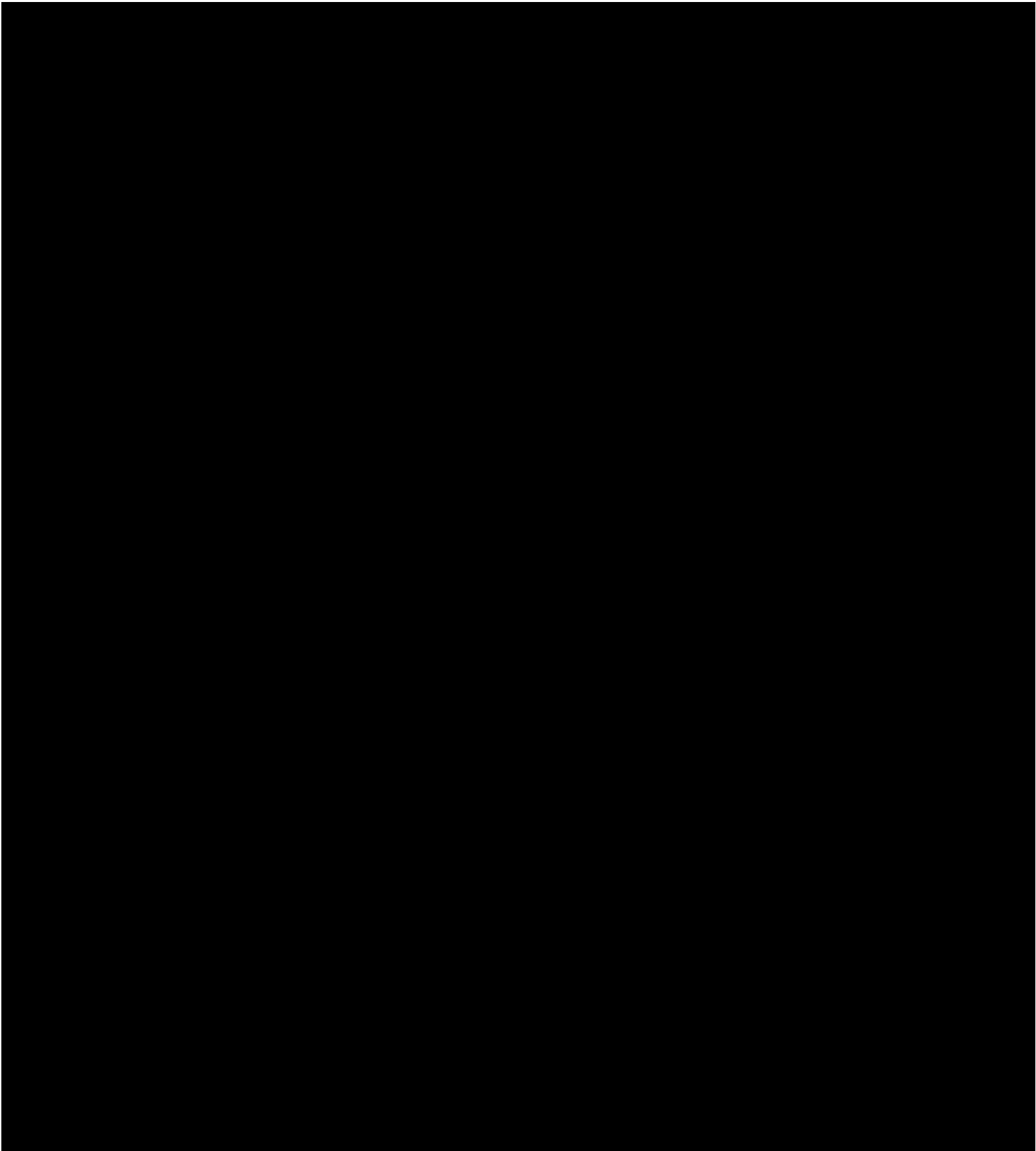
- Restroom: The restroom will be available to waiting customers through the use of a key provided by a Santee Holistics employee and will otherwise be locked.
- Exit (Rear Vestibule): The rear exit/entrance will remain locked except during incoming shipments of cannabis products or pick-up of cannabis waste by a permitted waste hauler. The door will be secured with commercial grade locks and monitored by video surveillance.
- The diagram shows and identifies all commercial activities that will take place in each area of the premises and identifies all limited-access areas.
- The diagram shows where all the cameras are located and assign a number to each camera for identification purposes.
- The diagram should be accurate, dimensioned and to-scale (minimum scale of ¼").
- The Site Plan property diagram shows which part of the property will be used for the licensed premises and what activities will be used in the remaining property.

See below for a map of the facility's proposed access control, burglar alarm, and video surveillance camera placement prepared by Bay Alarm Company and reviewed by Chief Bejarano. The facility is proposed to have 22 security cameras installed and five panic buttons. There are proposed to be six keycard access readers securing critical points of entry and exit including both the front and rear entrances/exits, the door from the entry area to the retail sales area, the manager's office, the door to the rear exit vestibule, and the door to the product storage room. The placement of the access/security control panel and network video recorder will be located in the office.

Santee Holistics Access Control, Burglar Alarm and Camera Diagram

Security Device Locations:





LA

3. Operational Security: Access Control and Inventory Control Procedures

A. Limited-Access Areas SMC 7.04.320(A)(3)

The Limited-Access Areas (LAA) will be separate areas of the premises storing cannabis product, business records, security and camera surveillance equipment, IT Control area, and cash. These areas will be securely locked with non-residential, commercial-grade locks. Each LAA will always be under video surveillance. All LAA doors will remain closed when not in use during business hours and locked during non-business hours. Both sides of all entrances and exit doors to and from the LAA will be clearly identified with signage stating: “DO NOT ENTER – LIMITED-ACCESS AREA - Access Limited to Authorized Personnel and Escorted Visitors.” Only authorized employees will be allowed to enter the limited-access areas.

Each authorized employee will be required to use an access control card to unlock the door between the facility’s common areas and the Limited-Access Areas. The LAAs shall only be accessible to principal officers, authorized employees, law enforcement, other public safety personnel, and authorized government officials. An authorized employee shall always escort authorized visitors, vendors, and contractors (identified with a government-issued identification).

Access to the Storage/Receiving areas and the Office/Record Storage area (location of the safe) will be limited to pre-designated personnel, regulated by an access control card, and identified as an LAA. The Storage/Receiving and the Office/Record Storage areas will be locked when not occupied. Only pre-designated employees/officers will be allowed entry into the Storage/Receiving and Office/Record Storage locations. The safe, when not in use, will be locked.

No one will be permitted into the LAAs without the advance screening, registration, and authorization. All access to LAAs will be recorded through the door lock’s electronic log and by security video surveillance. Sensors will also be used to detect all entries and exits from the secure areas and monitored in real-time by the licensed company. All visitor entries in the LAAs will be documented on the Visitor Log. The Security Manager will review access documentation to the LAAs on a weekly basis.

Employee Access Levels

Each employee will be assigned a level of access. The level of access will determine which sections of the facility the employee has permission to enter, access to safes or vaults, and which folders or files can be accessed with the computer systems.

- **Level 1:** Senior staff – Employees with this level of access may enter any area of the facility and open all safes and computer files.
- **Level 2:** Managers specified employees – Individuals in this group have access to areas they are authorized and responsible for.
- **Level 3:** General employees have access to specific areas, according to their assignments and responsibilities.

Employee Identification

All employees or others on behalf of the business will always display a laminated badge issued by the business, while on the premises. The badge will include:

- The employee's first name and date of birth
- Santee Holistics assigned employee identification number
- A color photo of the employee that is at least 1.5" in height and 1" in width and clearly shows a front view of the employee's face
- The employee's access level or a color code that indicates the access level
- The employee's title if a supervisor or manager

B. Alarm System & Records SMC 7.04.320(A)(6)(7)(8)

Santee Holistics will use a commercial security alarm system integrated with the video surveillance system to monitor the interior and exterior of the premises. The alarm system will be licensed by the Bureau of Security and Investigative Services (BSIS) and comply with the City of Santee's permit requirements. The system will include perimeter, interior, panic buttons, motion sensors, and fire alarms. The system will be audible to all interior and exterior areas of the premises. Alarm sensors will be used to detect entry and exit from all secure areas and will be monitored in real time by a security company licensed by the BSIS. The panic buttons will be installed and maintained by a licensed company. The COO will identify employees who will be provided with alarm activation and deactivation codes. Alarm system records will be maintained on the premises. Upon request, Santee Holistics will make all alarm system information available to local and state authorities. At a minimum, these records will include the following:

- The name of the alarm installation and monitoring service provider
- Copies of service providers
- A list of users authorized to access the system
- Reports of any incident activating the alarm
- Reports of any interruption in monitoring and/or failure of the system, including the length of the interruption period

C. Security Video Surveillance SMC 7.04.320(A)(5)(15)

Santee Holistics will use fifteen 4MP Turret Cameras, three 8MP Turret cameras, and two 360 Fisheye cameras for 24-hour security surveillance and video recording of the interior and five cameras for the exterior to monitor areas on and around the premises including, but not limited to: entrances and exits to and from the premises; all interior spaces which are open and accessible to the public; all interior spaces where cannabis and cash are stored for any period of time; all areas where the purchase, sale, distribution, or transfer of Cannabis or cannabis products take place; and all interior spaces where diversion of cannabis could reasonable occur. Video cameras will record all activity occurring within twenty feet (20) from all points of entry and exits, into and out of the facility. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site and capable of enlargement via projection or other means. The system will have remote "health checkups" to ensure they are working properly. The system will generate emails to IT if the cameras are not recording properly.

The security surveillance camera system will be integrated with the alarm system, equipped with a failure notification system, and monitored by a licensed alarm company. The video surveillance system will have a battery backup, in the event of a power outage. The system will be capable of being accessed via the internet and provide a real-time video feed. Video surveillance screens with live feeds will be monitored in the security/manager's office for all activities occurring inside and outside the premises. All video footage will be maintained for a minimum of ninety (90) days and available to the City Manager or his/her designee and the DCC immediately upon request.

Security camera surveillance will include all locations where employees interact with products, including delivery areas, and areas where safes or vaults are located.

Equipment Standards

- At a minimum, the equipment will be capable of recording at a resolution of 4MP, 15 FPS.
- All exterior cameras will have the capability to automatically switch to black and white in low light conditions.
- All exterior cameras will be in weather-proof enclosures. Cameras covering the closest parking areas will be capable of recording license plate numbers.
- The system will be a type in which live-feed video can be accessed by Santee through a secure website.
- The equipment will be capable of stamping the video with the accurate date and time and capable enlargement via projection or other means.
- Cameras and other recording equipment will include a failure alert.
- The Video Surveillance system will be tested monthly. Upon the detection of any malfunctions, repairs will be initiated immediately.

Recording Protocol

- Video of interior and exterior locations will be recorded 24 hours a day, at 15 frames per second, using a Network Video Recorder (64 TB).
- Industry standards will be followed to ensure the integrity and authenticity of video recordings.
- Computer access to the recording system will be password protected.
- Recordings will be backed-up before earlier recorded material is overwritten by the system.
- Backed-up recordings will be stored for a minimum of ninety (90) days.
- Each monitored location will have a clearly visible sign with a statement notifying those present they are subject to recording.

Video Surveillance Storage Protocol

- Video and storage equipment will be operated and stored in a secure room, identified as a limited-access area.
- A regularly updated record will be kept of all individuals who have access to the room.
- Storage files will be password protected.
- Back-up copies of at least the most recent week of surveillance footage will be stored on a secondary secured server on the property, or on removable media, off-site in a vault or safe where it is easy to access and easily reproducible.

- Video will be made available immediately upon request to state and local law enforcement and regulatory authorities, and to other entities as required by law.
- If Santee Holistics is aware of a recording which may contain relevant information regarding a pending criminal, civil, or administrative investigation or legal proceeding, an unaltered copy of the recording will be retained beyond ninety (90) days.

D. Key/Access Control Card Procedure Issuance

- An authorized employee will record the issuance of keys and/or access control cards to employees on a security access log.
- The security access log will include the name of the employee, the employee's Santee Holistics-assigned identification number, the employee's position/title, the level of access being assigned, date, signature of employee, and the initials of the issuer.
- Extra keys and access cards are to be stored in a vault or the office safe.
- All employees issued a key or access control card will sign a Key/Key Card User acknowledging their understanding of the procedures.
- The paper version of the security access log will be stored in a locked location when not in use.

Termination/Resignation

- Upon an employee's final employment date, an authorized manager will notify all staff maintaining the security system, including the IT Manager of an employee's termination or resignation.
- A checklist will be prepared with a list of access system items related to the employee that need to be returned or cancelled. As each item is returned or cancelled, the authorized person will check the item off and initial the form.
- The form will be further circulated to those who are responsible for completing the remaining tasks.
- The security access log and any other related logs will be updated.

Locks/Cabinets/Safes

- All locks on the premises will comply with industry standards.
- Locks that show evidence of wear or tampering will be replaced within 48 hours, or if an outside vendor needs to replace the locks, a call will be made to the vendor within 24 hours or the next business day.
- Extra replacement locks kept on the premises will be stored in a locked cabinet to prevent tampering.
- Storage cabinets holding products or security-related items will be a minimum of 12-gauge steel and secured to a permanent part of the building or to an adjacent cabinet.
- Any safe on the premises will be of commercial grade, made of metal, and large enough to store all items or products anticipated on the premises in each secured location. The safe will be securely anchored to a permanent part of the building or weigh more than 750 pounds.
- The safe(s) and vault(s) will be compliant with the Underwriters Laboratories, LLC burglary-resistant and fire-resistant standards. SMC 7.04.320(A)(4)

Signage

The following signs will be prominently and clearly displayed near each point of public access, including the rear access of the business. The signage will meet Santee Ordinance requirements.

- Persons Under 21 Not Permitted on the Premises – SMC 7.04.320(H)(3)
- No Trespassing – Protected by Video Surveillance and On-Site Security
- Do Not Enter – Limited Access Area – Access Limited to Authorized Personnel and Escorted Visitors
- Smoking, Ingesting, or Consuming Cannabis on the Premises or in Adjacent Areas Prohibited.
- Firearms and Weapons Prohibited on the Premises

Back-up Power System

A generator will provide enough power to the facility to support critical operations for at least eight (8) hours. Critical components include security and surveillance systems, lighting, and environmental controls to maintain the quality of the product on the premises.

E. Incident Response

Santee Holistics will maintain incident response procedures to address incidents which may impact security operations. Such incidents may include a natural disaster, unauthorized access, theft, burglary, robbery, or other criminal activities. Procedures will be implemented to provide guidance for employees during general emergencies or other security related incidents.

The COO or the Security Manager will notify the Sheriff's Department, and as appropriate the DCC of the following incidents, but not limited to the following:

- Any suspicious activity involving the sale or distribution of cannabis products
- Sales to underage persons
- Unauthorized destruction of cannabis products
- An alarm activation or other event requiring a law enforcement response
- Inventory tracking system compromised
- Breach of network servers
- Unauthorized entry into the facility and or limited-access areas
- Threats of violence involving customers, employees, guests, or others

Notification to the City Manager and the Department of Cannabis Control SMC 7.04.320(E)(1)(2)(3)(4)

The Chief Compliance Director (CCO) and/or the Security Manager will be responsible for the following notifications to the City Manager or his/her designee and/or the Department of Cannabis Control (DCC) within 24 hours of occurrence or sooner:

- Significant discrepancies identified during the inventory (the level of significance will be determined by the regulations promulgated by the City Manager or their designee)
- Diversion, theft, loss, or any criminal activity involving the business or agent, or employees, or agents of the business
- The loss or unauthorized alteration of records related to cannabis, customers, employees, or agents of the business
- Any other breach of security

Immediate notifications will be made through a Notification Request Form and shall include the date and time of the occurrence.

Emergency Procedures

During an emergency, the Security Manager will manage all activities to ensure the safety and well-being of all employees and customers present. If the Security Manager is not present, a designated supervisor will manage emergency operations and serve as the liaison with Sheriff, Fire, and Medical Response personnel. If there is no safety risk to remaining on the premises and emergency responders do not require an evacuation, other employees will immediately monitor entrances and exits to prevent unauthorized access, and monitor products accessible to customers, contractors, or visitors.

Additional emergency actions and emergency evacuation plans will be detailed in a Facility Safety Plan.

Alarm Controls for Emergency Response – SMC 7.04.320(A)(7)

- Panic/Silent robbery alarms for use during an armed robbery will be installed and monitored by a local licensed security company. The panic alarms will include direct notification to Sheriff's Department Dispatch.
- Panic alarms will be placed at the main entrance, reception desk, product display counters, Office, and Receiving areas.
- Audible and silent panic alarms will be used for any life-threatening incident(s) requiring an immediate police response.
- The alarms will include a notification system generating a sound, text, or visual signal when the alarm, panic, or surveillance system malfunctions. The system will be tested monthly, and malfunctions repaired immediately.
- These alarm controls will have a battery back-up, in the event of a power outage.

During a Robbery

In the event of an armed robbery incident, employees will adhere to these guidelines:

- Remain calm
- Obey the suspect's commands immediately
- Not argue or attempt to disarm the suspect(s)
- Consider all firearms to be loaded
- Be observant – note details to aid in describing suspect(s) and their mannerisms. Note approximate age, weight, height, clothing, tattoos, or scars and write down the details at the first opportunity
- Take note of the weapon
- Observe the direction the suspect(s) leave – if they use vehicle, try to note the license plate number and vehicle description
- Only press the silent alarm if able to do so without being seen
- Call 911 at the earliest opportunity
- Not chase or follow the suspect(s)

After a Robbery

- Call 911 immediately

C. Security Plan

- Provide the address of the business, provide your name, and call back telephone number, and stay on the phone until the dispatcher ends the call
- Provide description of the suspect(s), direction of travel, a license number if a vehicle was used
- Advise whether weapons were used
- Protect the crime scene. Keep customers or other employees away from the area of the store where the robbery occurred
- Ask witnesses to wait until the police arrive
- Not touch anything
- Save a note, if one was used – and not handle or allow others to handle it

Burglary

If evidence of a burglary is discovered, staff will:

- Avoid entering areas that have not yet been searched
- Notify law enforcement using a non-emergency number
- Notify a senior staff member immediately
- Prevent others from entering the area or touching anything

Medical Emergencies

- All senior and managing staff will be required to take a CPR/First Aid course approved by the American Heart Association or the American Red Cross every two years
- When calling 911, provide the address of the business, name, and telephone number, and stay on the phone until the dispatcher ends the call

Fire Emergencies

Emergency access and emergency evaluation plans in compliance with state and local fire safety standards are included in the Safety Plan. SMC (A)(17)

Knox Box

A Knox Box entry system will be on-site for emergency responder access to the premises, during hours the business is closed.

Enforcement Notification Policy

In addition to law enforcement notifications listed under security policies; Physical Restraint Policy, Counterfeit Money, Security Exclusion, and Emergency Procedures, law enforcement will be notified of the following:

- Call 911 any time there is a threat to life or property, a crime in progress, a crime that has occurred, any incident involving a weapon, any incident that could result in injury to anyone.
- Law enforcement will be notified of the following circumstances/situations; a disturbance, assault, theft, vandalism, trespassing on the property, diversion of products, fraud, forgery, any crime reported by an employee, customer, visitor, any suspicion that a criminal act has occurred or about to occur, etc. Employees are reminded to call 911, for any act(s) that could result in injury or crimes in progress.

F. Customer, Visitor, Vendor, & Contractor Access SMC 7.04.320(A)(12)

All customers entering the business will be contacted by a security guard prior to entering the business. The guard will verify the customers' identity and age with government issued identification. After the screening at the entrance, the customer will be directed to the reception for registration and entry into the secured sales area.

All visitors, vendors, and contractors who need access to employee-only areas will be required to provide personal and company identification, provided with a visitor's badge, and always escorted by an authorized employee. A visitor log will include the person's name, company, date, time, visitor access card number and reason for the visit. The visitor log will be maintained for a minimum of twelve (12) months. When not in use the log will be stored in a locked location. Visitors, vendors, and contractors will not have access to products or product storage areas unless the person's visit requires access to those areas and escorted by an authorized employee. Upon leaving the premises, the visitor badges will be collected. There are no exceptions to the visitor, vendor, and contractor access policy, and the log will be available to law enforcement and regulatory officials upon request.

G. Inventory Control Management SMC 7.04.320(A)(13)(14)(C)

Santee Holistics will use an inventory control or track-and-trace system which will serve as the system of record.

- At a minimum, the Inventory Control Manager (ICM), will be fully trained in the use of the system and be the contact with the system vendor
- The ICM will ensure all employees are fully trained in the use of the training system, including legal requirements, prior to first access
- The ICM will keep a record of all employees with access to the system and ensure the deletion of access credentials of employees no longer employed
- Any errors found in the system will be corrected within three business days
- The ICM will monitor notifications generated by the inventory control system and resolve any issues prior to deleting or marking the notification as resolved
- In consultation with the CCO and the CEO, the ICM will recommend changes and amendments to the inventory-related portions of this plan on an annual basis

Inventory Tracking

Every controlled product item will be labeled with an authorized unique identification code to track its movement through the system

- Scales used on the premises will be incorporated into the inventory control system to minimize incorrect data entry or diversion
- Each storage location will be labeled with a unique identification code to reduce data entry errors during the inventory process
- An item-by-item inventory verification will occur at a minimum of once per month.
- The verification will be conducted by one authorized employee and independently verified by a second authorized employee.

- If any product is found to be missing, an audit will be conducted by the ICM, and the results will be reported to the COO.
- The COO will maintain a log of lost, stolen, or misappropriated products.
- If there is evidence of suspected theft or diversion, the COO will notify the Sheriff's Department as soon as possible.

Transfer of Products

- One access point (doorway or delivery dock) will be used for all delivery activities.
- A security officer will monitor the door and outside environment during the transfer of any controlled product and observe the transaction.
- A second security officer or other trained employee designated by the COO will assist the primary security officer.
- A security officer will check the ID of the person(s) delivering or picking up the products.
- Products being delivered or picked up will be listed on a transport manifest and verified via the inventory control system.
- In addition to the recording of products through the inventory control system, the security office will record the transfer on a log.
- The log will include the date and time of the transaction, whether the product is incoming or outgoing, the name of the company involved in the transaction, the outside employee's name and ID number from his/her badge, the name of Santee Holistics employee involved in the transaction, the initials of the security officer, and the initials of the authorized supervisor.
- The log will be stored in a secured location near the delivery access point when not in use.
- For the delivery of uncontrolled products, a security officer will be present to monitor the access points.

Transfer Within the Building

- The movement of products from one secured location to another will be recorded through the inventory control system and monitored via the video surveillance system.

4. Cash Handling and Management

- Internal Controls – Dual Custody is required anytime cash is transferred from the registers to the safe and from the premises to an off-site location.
- All petty cash will be under the control of the on-site manager and reconciled daily. The petty cash amount should not exceed \$1,000.00. All receipts and vouchers will be accounted for, and the drawer should always be in balance.
- Two employees are required to open any safe or vault. Combinations must be segmented, requiring two employees to access stored cash.
- Cash Management – employees are required to sign into the cash register/POS before having to the cash drawer.
- Verification of an accurate beginning balance.
- All transactions must be entered/recorded through the register.
- The on-site manager will assign a “drawer limit” to all POS cash drawers. As soon as the drawer limit has reached or surpassed, the employee operating the POS drawer will notify management of this

occurrence. The employee and the manager will follow the “dual control” procedure to transfer the cash from the POS drawer to the safe or vault.

- All cash handling will be recorded by the security video surveillance system.
- All bulk cash transported to or from the business in the amount of five thousand (\$5,000.00) or more will be transported via a licensed armored transport service.

A. Opening Procedure

- Cash Handling – Operating Procedure; the vault will be opened via dual custody.
- The employee and manager will sign the Cash Vault Opening/Closing Log.
- Both the manager and the employee will count the cash to be placed in the POS cash drawer(s) and complete the Cash Transfer Log.
- In Dual Custody, the vault will be closed and locked.

B. Closing Procedure

- Cash Handling – Closing Procedure; the cash in each POS cash drawer will be counted in Dual Custody.
- The Dual Custody employees will complete an End-of-Day Drawer Balance Sheet, detailing all cash located in the drawer, including the denomination of each bill.
- Remaining in Dual Custody, the manager and the employee will transfer all the cash from the drawer to the vault, using the Cash Transfer Log to record the transfer.
- The Vault Balance Sheet will be updated to reflect the amount of cash secured and complete the Cash Vault Opening/Closing Log.

C. Opening Procedure – Premises Ingress & Egress

- Only management level and other authorized staff will have keys, access control cards, and/or security codes to open and close the building and turn off security alarms.
- The front door to the premises will serve as the only entrance for all staff and visitors.
- The front door will always be staffed by a security officer during business hours.
- The front door entrance area and rear exit area will be monitored by security surveillance cameras facing in multiple directions.
- Other doors will be locked in a manner that occupants can leave the building during an emergency, but not gain access into the building from the outside.
- When a side door is used to bring in supplies, remove waste, or provide access to a service contractor, a security officer will be present while the door is open.
- All doors, including interior doors providing access to stored and displayed products will be alarmed, require an access control card, monitored by security cameras, and sufficiently lit to record during hours of darkness.

D. Premises Closing Procedure

The COO will produce a Closing Procedure Checklist that will include the following tasks at a minimum.

- Walk-through of the premises to ensure no one is in the building
- Computers are shut down or have a lock screen
- All doors, gates, safes, vaults, and other lockable areas are secure
- Surveillance cameras and recording devices are on and operational
- Exterior lighting is on
- Verify no suspicious vehicles or individuals are in the vicinity of the premises

The Checklist will include a map of all points within the facility that need to be secured.

E. Employee Background Investigations

Santee Holistics will use a licensed company to perform all employee background investigations. The backgrounds will include county, state, and federal inquiries for all who will be managing cash, handling cannabis products, involved in management positions, and security, and as required by the DCC.

The background investigations will be completed after a conditional offer of employment has occurred, and in full compliance with the Department of Fair Employee and Housing Council Regulations.

5. Perimeter Security, Exterior Lighting, On-Site Security Officers, & Parking

- The front of the building will meet high resistance glass industry standards.
- Sensors (alarm systems) will be used to detect entry and exit from the secured areas and will be monitored (real-time) by security personnel and a security company (licensed by the BSIS).
- Only management level and other authorized staff will have keys and/or access control cards to open doors. The alarm control panel will be secured in a dedicated area.
- All access doors will be controlled by an electronic access panel and with manual locks to ensure the door's locks are operational during a power outage. The doors will be equipped with commercial-grade, non-residential locks. SMC 7.04.320(A)(11)
- Entrance areas will always be locked and/or under the control of a designated employee or a security officer. SMC 7.04.320(A)(12)
- A commercial building security alarm system (audible interior and exterior) will be activated during non-business hours. The system will include an intrusion motion detection alarm covering the interior, perimeter fencing, and the rear exterior of the building, to detect any unauthorized entries into the building. All doors providing access to the building, vault, safe, and stored product areas will be alarmed. The alarm system will be installed and monitored by a 24-hour licensed alarm company, with immediate notifications to law enforcement and management on all alarm activations.
- The alarm system will be inspected monthly. Upon the detection of any malfunction, repairs will be initiated immediately.
- Sufficient lighting will illuminate all areas along the exterior perimeter.
- During business hours, a second security officer will be on the premises to monitor the areas adjacent to the business, parking lot, delivery of cash and/or products, and investigate suspicious activities, unusual behavior, and loitering (within 100 feet) of the premises. SMC 7.04.320(L)

- Exterior landscaping will be planted, altered, and maintained in a fashion that precludes its use as a hiding place for persons on the premises. SMC 7.04.320(A)(16)
- The property will include installation of “mosquitoes” (high-pitch frequency sound) device(s) as a deterrent to vandalism and/or loitering. SMC 7.04.320(A)(18)

A. Private Patrol Operator & Security Personnel SMC 7.04.320(A)(10)

Santee Holistics will contract with a licensed and bonded Private Operator for security guard services. All security personnel will be at least twenty-one (21) years of age and in compliance with California Building and Professions Code, Chapters 11.4 and 11.5, Division 3. Security officers will be licensed by the BSIS and in full compliance with all state mandated training.

Security personnel will be on-site during all hours the business is open, including being on-site half an hour before opening and remaining on-site until the last employee(s) leaves after closing. During the hours the business is closed, as authorized by the City Manager or their designee, Santee Holistics will use alternative Video Surveillance system with two-way audio capability to alert a potential intruder or person loitering at/or near the premises that they are under video surveillance. A licensed security company will monitor the video system. SMC 7.04.320(A)(10)

B. Premises Lighting

Exterior

The lighting will be directed downward by a shade positioned at each corner of the building (front and rear), with sufficient lighting to capture facial recognition up to twenty (20) feet in all directions. The entrances to the premises and the rear of the building, as well as all window areas and parking lots shall be illuminated during any hours of darkness. The closing shift manager will ensure all illumination is in proper working order prior to leaving the premises. The lighting shall meet the requirements of the City’s lighting standards, and all necessary permits shall be obtained. Emergency lighting will be provided for all areas and exits. Exterior lighting will be solar powered LED lighting which will illuminate automatically at dusk and will include motion sensors. Exterior lighting on the building will be checked every evening, and any inoperable bulbs will be replaced as soon as possible.

Interior

Energy efficient lighting will be installed, and natural lighting will be used as much as possible. Interior lighting will ensure all security cameras record the complete facial features of persons inside the facility and those entering and exiting the premises.

C. Uniformed Security Guard Duties – SMC 7.04.420(A)(10)

- During business hours, at least one of our two uniformed private security guards will be on-site. The guards will contact all individuals at the main entrance (prior to entry into the lobby area), to verify their identity and age (entry will require the presentation of government-issued documentation with a photo, such as a driver's license, state issued ID card, passport, etc. Guards will use an industry approved electronic device for age verification and fake ID detection. No one will be allowed into the building without valid identification, regardless of age.
- Entrance into the retail sales area shall always be locked with entry strictly controlled. A “buzz” electronic/mechanical entry system shall be used to limit access to and entry to the retail sales area to separate it from the reception/lobby area. SMC 7.04.320(A)(12)

C. Security Plan

- Guards will prohibit entry into the premises to anyone under the age of twenty-one (21) years of age. Persons eighteen (18) to twenty (20) years of age will be allowed on the premises if they can produce a valid physician's recommendation or a medical marijuana card issued pursuant to Health and Safety Code Section 11362.71. SMC 7.04.320(H)(1)
- Guards will monitor the lobby area to prevent unauthorized entry, unruly behavior, theft, etc.
- Security guards will monitor individuals outside the business, parking lot, and any adjacent property under the business control. The guard will ensure these areas are free of individuals involved in suspicious activities or causing a disturbance.
- Guards will respond to alarms, emergencies, investigate disturbances, and call police or fire departments as appropriate.
- Guards will complete daily reports documenting all security related activities and irregularities, such as property damage, theft, presence of unauthorized persons, or unusual occurrences.
- Guards will inspect and adjust security systems and equipment daily to ensure full operational use and detect evidence of tampering.
- Guards will prohibit individuals not engaged in activities related to the business and/or who are loitering from remaining on the premises or outside, within 100 feet of the premises. The Sheriff's Department will be notified 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 7.04.320(A)(2)
- Guards will prevent individuals from using any store products on or in near proximity to the premises.

D. Parking

The Santee Holistics parking lot is located on the north and east sides of the building. The lot has 20 parking spaces for customers, including the required ADA parking spaces. Parking spaces for employees will be in a dedicated area of the parking lot to allow direct access in and out of the building to ensure employee safety.

To promote the use of ride share vehicles, designated parking spaces near the entrance will be reserved for ride share companies. There will also be designated bike and motorcycle parking available. During the hours of darkness, the parking lot will be well lit. The lot will be under 24-hour video surveillance with real-time monitoring and monitored by security guards during the hours the business is open.

E. Transportation Techniques & Security Procedures

Armored Transportation Service – SMC 7.04.320(C)

Santee Holistics will designate specific employees for the transportation of products. The employees will be trained and well versed with industry standard transportation protocols. Every transport of product will require at least two (2) employees and/or a security guard. Each time products are transported; a transportation manifest will be prepared with the information required by the DCC's tracking system. Only products listed on the manifest will be transported, with no exceptions. All products will be in secured containers and the shipping container will include a copy of the manifest in the interior and exterior of the container. The products will be transported using routes that reduce the possibility of theft, diversion, and tracked via a GPS system. All transport product containers will be unloaded and unpacked in the presence of two (2) employees. Employees transporting products shall not stop at any location not listed on the manifest.

Santee Holistics will use an armored transportation service to ensure the safety and security of the transportation of cash. Santee Holistics has a banking relationship and will maintain a bank account for the deposit of all revenue received on-site. If needed, cash will be deposited off-site in a secured vault via a licensed armored transportation

service. Only small amounts of cash will be removed from the Santee Holistics vault as needed, to mitigate the risk of thefts or robberies.

F. Diversion Prevention

Cannabis product security is a priority. All employees and contractors will strictly adhere to policies and procedures to prevent loss or theft of products. All employees entering and exiting (after every shift) the business will be subject to screening and searching their personal bags, backpacks, purses, etc., to prevent theft and/or the introduction of contraband.

All cannabis products displayed will be in a secured area or cases, and accessible only to specifically authorized personnel. All stored products will be in a vault secured with a commercial-grade lock, in a limited-access area always monitored by video surveillance. All employee access to different areas of the business will be determined by a “need for access.” Dual authentication, or two employee policies for limited-access areas and vaults will be implemented to enhance the security of cash and products.

All safes, vaults, or other areas used for storage or display will be locked or protected from unauthorized entry. Keys or access-control cards not in use will be securely stored to prevent use by unauthorized persons. During non-business hours, the premises will be securely locked, alarmed, and under security video surveillance. Santee Holistics will use an industry approved inventory control system to reduce the risk of diversion and/or theft of products.

6. Employee Training and Policies SMC 7.04.320(N)

- Training will occur prior to working with any products and be repeated according to state and local regulations.
- The CCO or his/her designee is responsible for keeping a record of training for each training module for every employee, including the date training occurred, type of training, the signature of the employee upon completion of training, the signature of an authorized manager.
- At a minimum, training will occur at a frequency specified by state and local regulations.
- The CCO or his/her designee will set up a calendar or other reminder system to ensure retraining occurs for each employee by each repeating due date.
- Any documentation related to an individual employee’s training will be kept in the employee's file.
 - Topics included in security training for all employees will include, but not be limited to:

▪ Physical Altercation/Restraint Policy	▪ Risk management
▪ Counterfeit Money Policy	▪ Robbery response, including practice drills
▪ Law Enforcement Notification Policy	▪ Conflict resolution
▪ Security Exclusion Policy	▪ Cyber security
▪ Caution in sharing information related to business operations	▪ Evacuation procedures, including practice drills
▪ Diversion issues and detection	▪ State and local laws regulating the sale of cannabis products
▪ Observing and reporting suspicious activities	▪ Security Policies
	▪ Incident Response and Reporting

A. Physical Altercation/Restraint Policy

If employees become aware of a safety concern and/or incident, or are confronted with a potentially violent situation, security personnel law enforcement will be notified immediately. If it is a life-threatening situation, law enforcement will be notified by a 911 call.

Employees should not attempt to physically restrain or physically remove a threatening or violent individual. On-site security guards will be immediately notified, for assistance, pending the arrival of law enforcement. Employees shall report any violent, threatening, or harassing behavior to management as soon as possible. If it is a life-threatening situation, law enforcement should be notified immediately. Employees who commit acts of violence or threats will be subject to removal from the premises and will be subject to disciplinary action, including termination.

B. Security Exclusion Policy

The purpose of this policy is to provide an additional proactive measure and means of intervention to ensure a safe environment for all concerned and to seek compliance without threat or escalation by any party involved. Security guards will immediately take action to remove from the premises any individual(s) displaying or engaging in unruly, threatening, disruptive, incoherent, violent behavior; any unlawful activity, person(s) attempting to or using products on site, appearing to be under the influence of drugs and/or alcohol, person(s) refusing to leave the premises, after being notified they are subject to arrest for trespassing, violating a court order prohibiting the individual from being at or near the premises, possession of a firearm or other dangerous weapon, etc. In all instances, law enforcement will be notified to assist with the removal of person(s) who fails to leave the premises upon request. Any employee who observes or becomes aware of an individual involved in unlawful activity or the above noted conduct and/or behavior will notify management and/or security immediately. Person(s) formally removed from the premises will be placed on a Premises Security Exclusion list and denied future access.

C. Counterfeit Money Policy

Santee Holistics will use a state-of-the-art Counterfeit Detector to identify counterfeit currency. The detector(s) will be used for all cash transactions, at the Point-of-Sale (POS). In addition, all employees will be trained to exercise reasonable care in screening cash transactions for counterfeit currency.

If counterfeit money is received at the time of payment or detected as counterfeit after the payment was accepted, the following procedures will be followed:

- Employees are not to place themselves in a dangerous position
- If safe to do so, the payer should be advised that the bill(s) appears to be counterfeit and will be retained for law enforcement
- Employees should not attempt to physically restrain the customer
- Law enforcement should be notified immediately

D. QUALIFICATIONS OF OWNERS

1. Owners' Experience Operating Regulated Retail Cannabis Businesses

Since joining the California cannabis industry in 2014 and running the first licensed adult-use establishment in the state, Santee Holistics' owners have been providing exceptional customer service, unmatched product quality, and community benefits to California consumers and patients. Not only do owners Tony Hall and Doug Gans have extensive experience operating retail cannabis businesses, but they are also leaders in the broader San Diego business community. In June 2020, Tony Hall was named one of San Diego's "SD50" – 50 influential leaders who made positive impacts during the unprecedented challenges of 2020. Drawing on this foundation, Doug and Tony are eager to bring their unique blend of customer care, community focus, business acumen, and altruism to the Santee community. Our Executive Management team – Kalina Fernandez, Ruthie Edelson, and Joe Azua – have been selected to steer and develop the Santee Holistics team on the strength of their superior professional qualifications and experience, described in more detail on the following pages. Together the ownership and Executive Management team bring diverse skills and expertise to Santee Holistics, making us a well-rounded team poised for success.

Santee Holistics Owners Tony Hall and Doug Gans have nine years of experience owning and operating cannabis businesses, including retail and distribution. They currently co-own, manage, and operate four licensed cannabis retailers in San Diego, Mammoth Lakes, Chula Vista, and Oxnard California, and a licensed distributor in San Diego. Since the inception of California's regulated cannabis industry, it has been clear that not all California cannabis businesses can weather this industry's unique challenges. A large number of California businesses have failed. Relying on sound business principles and a demonstrated commitment to serving California patients and adult use customers, Tony Hall and Doug Gans have skirted the trend and continue to expand Holistics' retail footprint. Currently, Tony Hall and Doug Gans own the following cannabis businesses licensed by the State of California and applicable local jurisdictions:

ENTITY NAME / TYPE OF LICENSE	LICENSE NUMBER	LOCATION
Torrey Holistics, Inc. "Torrey Holistics" Adult-Use & Medicinal Storefront State License	C10-0000242-LIC	10671 Roselle Street, Suite 100, San Diego, CA 92121
Torrey Holistics, Inc. "Torrey Holistics" Adult-Use & Medicinal Distribution State License	C11-0001141-LIC	10671 Roselle Street, Suite 102, San Diego, CA 92121

D. Qualifications of Owners

TD Mammoth, Inc. "Mammoth Holistics" Storefront State License	C10-0000617-LIC	101 Old Mammoth Road, Suite A, Mammoth Lakes, CA 93546
TD Chula Vista I, Inc. "California Holistics" Storefront State License	C10-0001005-LIC	810 Paseo Del Rey, Chula Vista, CA 91910
TD Oxnard, Inc. "Oxnard Holistics" Storefront State License	C10-0001423-LIC	11015 Harbor Blvd, Oxnard CA, 93035



2. Ownership and Management Team Knowledge of Cannabis Industry

With decades of combined experience in the California cannabis industry, the Santee Holistics ownership and Executive Management team possess the institutional knowledge, expertise, and qualifications to

D. Qualifications of Owners

operate a compliant and safe cannabis business in Santee. Not only have our owners incorporated industry best practices and state regulations into their existing legal businesses, they have helped define and create industry best practices in the jurisdictions in which they operate.

Our company is a founding member of the United Medical Marijuana Coalition (“UMMC”), a close-knit San Diego commercial cannabis industry group which lobbied for the creation of a San Diego Cannabis Business Improvement District (“SDCBID”) under California’s Property and Business Improvement District Law of 1994. The SDCBID is an assessment district which provides specific benefits to payors by funding marketing, advertising, and public relations and communications and policy development programs for assessed businesses. The SDCBID allows business owners to organize their efforts to increase sales and promotional efforts. Business owners within the district fund the SDCBID, and those funds are used to provide services that the businesses desire. A major goal of the SDCBID is to combat unregulated market activity and support San Diego’s legal cannabis industry.

The communications and policy development portion of the SDCBID focuses on initiatives designed to reduce the regulatory burden and management of operating a legal cannabis business. The SDCBID also includes a Social Equity component with incubation development, training, and mentorship for disadvantaged cannabis entrepreneurs. The Social Equity component includes job training, understanding and securing permit entitlements, corporate formations, complex tax issues, licensing, infrastructure development and technology, testing, distribution, branding, and compliance. We are proud to be movers and shakers in the San Diego cannabis industry and provided early support for this important initiative in San Diego.

In addition, Torrey Holistics, Mammoth Holistics, California Holistics, and Oxnard Holistics have implemented best practices to ensure a unique customer experience. Both stores have a friendly environment where everyone is welcome, be it the “cannabis curious,” medical patient, or discerning connoisseur. Our storefronts employ a one-to-one employee to guest shopping experience designed to prevent diversion and help guests locate products they will most enjoy. The Holistics staff is exceptional at educating customers and giving customers the information required to make informed choices. Our hospitality training focuses on active listening, asking questions to establish the customer’s baseline, educating customers on their options, and making a recommendation on a product that may meet their needs

Our Holistics cannabis storefronts maintain a tight cash management and inventory management program. From opening day, our storefronts employ best practice retail standards including submitting a purchase order before purchases are placed and vetting the vendors and products. This includes our staff conducting a packaging and labeling review for product samples, verifying the vendor’s license and bank account, and requesting COAs for all products before we place an order. To the extent we experience product loss, it is negligible. Our documented inventory loss is less than a half percent. This is far lower than the industry average of 1.3%, as reported by POS provider FlowHub. We limit inventory loss through daily inventory counts and pulling product off the floor on a regular basis. We also have very tight controls over cash to prevent



D. Qualifications of Owners

diversion and loss. We retrieve cash from registers multiple times during the day and keep minimal cash on the sales floor. Cash is deposited into our bank accounts regularly through an armored car service. To the extent possible, we also minimize our cash operations. Almost half of our customer transactions are processed through debit cards. This ensures that we handle less cash onsite, which enhances safety and provides a paper trail of our transactions for regulatory purposes.

Through our distribution license in San Diego, we have centralized our inventory management and purchasing for our two (and soon to be four) area storefronts. Our San Diego distribution license serves as the distribution hub for our all of our storefronts. By having a central distribution hub, we not only have developed the capacity to operate a distribute premises but also made our storefront purchasing more efficient. A central hub allows us to leverage our purchasing power for multiple stores and provide a uniform shopping experience across all storefronts. In addition, the number of distributors making deliveries at our storefronts is reduced because we are the primary distributor and can control when deliveries occur. This has improved safety and our bottom line at each Holistics storefront.

Outside of operations, we have implemented best practices for community engagement. In addition to the SDCBID effort, we maintain a partnership with the San Diego Chamber of Commerce and were an integral part of starting a Cannabis Policy Working Group to discuss issues facing the industry and connect with local policy makers. The Working Group helps members to identify key issues facing the industry and discuss potential solutions while navigating the new and ever-shifting territory of commercial cannabis regulation. Our team maintains strong relationships with the City of San Diego and the DCC, two of the primary governing and enforcement bodies overseeing our existing operations. We are proud to say that in eight years of our operations we have had no calls for service from local law enforcement. Because we are committed to strict compliance with local and State regulations, we also have received no violations from the City of San Diego or the DCC. Our relationship with the DCC has only improved over time. On several occasions DCC regulators have visited our stores with trainees and used us a model of what a complaint retail storefront should look like.

As a testament to our compliant operations in the City of San Diego, we have received a letter of support from Mr. Kevin Faulconer, the former Mayor of San Diego. Mr. Faulconer stated:

During my tenure as Mayor of San Diego, I had the opportunity to observe Torrey Holistics' operations as one of our city's first licensed cannabis retailers. They


To Whom It May Concern:

During my tenure as Mayor of San Diego, I had the opportunity to observe Torrey Holistics' operations as one of our city's first licensed cannabis retailers. They consistently demonstrated exceptional business practices and strict regulatory compliance from their initial approval through their first several years of operation.

Their management team showed outstanding commitment to responsible operations, community engagement, and public safety. They worked collaboratively with local law enforcement, adhered to all municipal regulations, and set a high standard for professional cannabis retail operations in San Diego.

Based on their track record in our city, I can confidently recommend them as responsible business operators who understand the importance of running a compliant, community-minded cannabis establishment.

Sincerely,


Kevin Faulconer
Former Mayor of San Diego

D. Qualifications of Owners

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Based on their track record in our city, I can confidently recommend them as responsible business operators who understand the importance of running a compliant, community-minded cannabis establishment.

We have also received written support regarding our compliant operations in San Diego from Joe LaCava, Councilmember for San Diego District One (our host district in San Diego), in Mammoth Lakes from V. Cleland Hoff, the former Mayor of Mammoth Lakes, and from Jerry Sanders, President and CEO of the San Diego Regional Chamber of Commerce.

Mr. LaCava writes that Torrey Holistics:

“Has always demonstrated a high level of professionalism, expertise and excellent customer service. For these reasons, Torrey Holistics has earned the trust and confidence of the local planning board and of regional business leaders.”

Ms. Hoff writes:

“While serving as Mayor of Mammoth Lakes, I met Doug and Tony and heard their ideas for Mammoth Holistics. As an elected official, I was impressed with their commitment to complying with local and state regulations, while providing a strong business to our town. The reality of their vision has been realized now, and it is a wonderful addition to our community... The fortitude they showed making this happen during these difficult times is commendable.”

Mr. Sanders wrote:

“I am pleased to express our support of Torrey Holistics’ commercial cannabis permit application. As the largest local Chamber on the West Coast, representing approximately 2,500 businesses and an estimated 300,000 jobs, the Chamber is committed to advocating for policies and projects that encourage economic growth.

We are proud to have Torrey Holistics as a member of the Chamber. We have had opportunities to visit their Sorrento Valley facility, meet their owners and staff, and discuss local opportunities to support the cannabis industry. We have found them to be very professional, knowledgeable, and successful business operators. It was clear their facility was well-run and clean with a focus on providing a positive customer experience while complying with local and state regulations.”

We could not be prouder to have earned these generous recommendations and look forward to garnering the same enthusiastic support in the City of Santee.

Our owners have also received accolades for their cannabis operations in California. Thrillist honored Torrey Holistics as a Top 8 adult-use dispensary in San Diego, where they praised Torrey Holistics’ cultural insistence on excellence:

D. Qualifications of Owners

“Locals also love Torrey Holistics for their product offerings — while they do feature a good variety of bud strains, they offer fewer than other dispensaries do, choosing to focus on quality, rather than quantity.”

In addition, Torrey Holistics patrons have consistently taken the proactive measure to positively evaluate our operations through various online communities, including Yelp, where Torrey Holistics maintains a rating of 4.5/5 stars based on 663 reviews, and Leafly, where we maintain a rating of 4.9/5 stars based on 127 reviews, including ratings of 4.9/5 for quality of product, 4.9/5 for service, and 4.9/5 for overall atmosphere.

Yelp Review, 5/5 stars, April 30, 2020:

“The staff and delivery people are all really knowledgeable, helpful, and pleasant to deal with. The meds are high quality and we wouldn’t go elsewhere. We have tried other places, but Torrey is the best.”



Through its celebrated cannabis operations, Torrey Holistics has remitted in excess of \$4 Million in taxes to the City of Diego, \$6 Million of excise tax to the state, and \$5.5 Million in sales tax to the state. In addition, Torrey Holistics was the only licensed cannabis business to receive the highest grade of substantial conformance during the City of San Diego’s tax and compliance audit conducted in May of 2018. Likewise, in 2021, Torrey Holistics underwent a 3-year tax audit by the California Department of Tax and Fee Administration. The CDTFA found Torrey Holistics’ tax payments complied with the law and issued a No Action letter. Anyone

knowledgeable with the California cannabis industry knows how rare this is. Our owners have the experience—with a well-documented and proven track record—to operate a successful, compliant retailer to the benefit of Santee and its residents. We have created this track record through hard work over many years, incorporating industry best practices and adhering strictly to state regulations in our existing ventures.

In addition to our owners’ demonstrated operational excellence in the California cannabis industry, Santee Holistics’ Executive Management Team also has years of hands-on cannabis experience.

Kalina Fernandez – Manager, Purchasing Manager, & Quality Assurance

6 Years Cannabis Experience

Kalina Fernandez joined Torrey Holistics in 2018 and has four years of experience managing a cannabis business. As Purchasing Manager and Quality Assurance, she leads our product procurement activities and curates the menu for our storefronts. She also leads our efforts for central purchasing and storage through our distribution license. She has experience conducting due diligence on our vendors, including verifying licensure status, evaluating products for quality and quality assurance, negotiating terms, and placing orders. She negotiates bulk purchases to serve our two existing storefronts and will make larger purchases to cover our two additional storefronts when they become operational. Finally, she has experience working with our

CFO on a product procurement budget and monitoring customer sales to determine customer preference and tastes for future purchases.

Ruthie Edelson – Manager & Marketing Director

7 Years Cannabis Experience

Ruthie Edelson joined Torrey Holistics in 2017. With seven years of cannabis industry experience, Ruthie serves as Director of Marketing and Community Support for Torrey Holistics and its sister stores. As Marketing Director, Ruthie has developed Torrey Holistics' social media presence, responsible advertising scheme, and our image within the community. Her expertise in cannabis retail management and community relations has been instrumental in developing responsible advertising strategies and fostering meaningful relationships with local organizations. She has successfully led community outreach programs across multiple jurisdictions, including San Diego, Chula Vista, Mammoth Lakes, and Oxnard. She has also developed and maintains relationships with over 20 nonprofits. With extensive knowledge of state and local advertising regulations, Ruthie ensures full compliance while effectively reaching and educating the community. Ruthie is passionate about cannabis education and advocacy, working tirelessly to break down stigmas associated with cannabis use. She understands that cannabis serves diverse needs in the community - from helping people with sleep issues and arthritis pain to providing relief for cancer patients or those seeking responsible relaxation. This compassionate, educational approach has been key to building trust and understanding in the communities she serves. As an El Cajon resident whose children attend El Capitan High School, Ruthie's commitment to East County extends beyond professional obligations to personal investment in the community's growth and well-being. Her unique combination of local involvement, philanthropy experience, and cannabis industry expertise positions her to understand and serve the specific needs of the Santee community.

Joe Azua – Inventory Manager

8 Years Cannabis Experience

Joe Azua has worked in the regulated cannabis industry since 2016. He started initially as a delivery manager for a medical marijuana collective. As a delivery manager, he was responsible for ensuring the best customer experience possible. His duties included personnel management, service, product cost, and product quality. After passage of MAUCRSA, Joe transitioned to becoming a Floor Lead at the licensed retailer Apothecare in San Diego. At Apothecare, he supported floor sales staff, inventory clerks, and retail management. He joined Torrey Holistics in 2020 as an Inventory Lead. Due to his leadership skills, he was promoted to Inventory Manager in September 2021. Joe has experience with overseeing track-and-trace compliance, ensuring each store location has proper inventory, and daily product reconciliation. He supervises and trains our Inventory Clerks and oversees inventory tracking at our storefront and distribution locations. Above all, Joe is responsible for instilling a culture of compliance both on the inventory team and the overall store team.

3. Ownership Involvement in Day-to-Day Operations

Santee Holistics' owners Tony and Doug have been intimately involved in their existing operations. They will leverage their prior experience, as well as the experience of our executive management team, to ensure Santee Holistics operations emulates the success and compliance of our other retail locations in California. See below for more details on the involvement of the ownership team in our existing and future operations.

Tony Hall – Owner, Founder, and Chief Executive Officer

Tony Hall has been a thought leader and pioneering entrepreneur in the California cannabis industry since 2014. Having built Torrey Holistics from the ground up, Tony has been involved in all aspects of business development, facility design, operations, security and regulatory compliance since the company's inception. Torrey Holistics was founded shortly after the City of San Diego developed and released its regulations for medical cannabis. Tony was vital to the success of Torrey Holistics' application and oversaw a world-class team of design, engineering, construction and legal specialists to far exceed the City of San Diego's rigorous and competitive requirements. Torrey Holistics first opened its doors in 2015 and has been providing compassionate, compliant, and quality service to medical cannabis patients ever since. Torrey Holistics became the first licensed adult-use cannabis dispensary in the state of California on December 15, 2017, thanks to the proactive leadership of Mr. Hall.

If awarded a commercial cannabis business permit to operate, Tony is eager and committed to help create a one-of-a-kind cannabis business in the City and be involved in the day-to-day management of Santee Holistics. Providing high-quality services for medical and adult-use patrons is what Torrey Holistics was built on. Tony's vision was to bring to safe, legal, medical and adult-use cannabis to San Diegans, while providing a unique and educational experience for our patrons. Tony was instrumental in the creation of our innovative cannabis education program which provides patients and customers with information on cannabis products, strains, and scientific developments. Under Tony's leadership and guidance, Torrey Holistics' brand became synonymous with professionalism, product consistency, and excellence, as will Santee Holistics.

In 2016, Tony became a founding member of the United Medical Marijuana Coalition ("UMMC"), a professional organization that represents legally licensed medical cannabis businesses across the San Diego area. UMMC's mission is to protect, improve, and promote the cannabis industry and the services provided by its member businesses for the benefit of the patients they serve. The purpose of the UMMC is to provide leadership for the cannabis community and a positive vision of cannabis therapies and its value in health and wellness. UMMC affects public policy and legislation by promoting high standards in professional ethics and quality of treatment. Tony's direct involvement in the shaping of cannabis policy has provided him with an unmatched breadth of knowledge in the issues that affect this nascent industry. Tony will bring this experience to our proposed Santee location to continue our legacy of impeccable service and compliant operations.

To improve the security of our business and the community as a whole, Tony led the effort for Torrey Holistics to apply for a beta program for compliant banking with Safe Harbor Private Banking – a Division of Partner Colorado Credit Union. In September 2017, Torrey Holistics was approved for the bank's program and was the bank's first California participant. Torrey Holistics has been proudly operating with compliant banking ever since, removing the cash-only model that has plagued communities across California. Because of Tony's efforts, Torrey Holistics has been lauded for its safety and security and has remained a premier San Diego cannabis business.

Prior to entering the cannabis industry, Tony owned and operated Global Chemical, a company that contracted with local, county, state, and federal government entities to provide maintenance supplies and chemicals. Operating a business that supplies goods and services to governments requires strict adherence to regulations, RFQs, and invoicing protocols. Global Chemical was required to maintain detailed testing, packaging, safety, and handling protocols including keeping updated material safety data sheets and staying

apprised of changing products and regulatory requirements. Global Chemical also branded its own maintenance chemical lines. Tony's background in chemical production and sales has prepared him for the rigorous requirements of the California cannabis industry. His experience will allow our operations to exceed state and local requirements to build a truly remarkable business in the City of Santee.

Douglas Gans, Owner and Chief Operating Officer

As Owner and Chief Operating Officer, Douglas Gans will be intimately involved in the day-to-day operations of Santee Holistics. Doug joined Torrey Holistics in 2014, shortly after Tony Hall started organizing Torrey Holistics' team for the City of San Diego's Conditional Use permit process for medical cannabis outlets. Doug brings 26 years of sales experience, including a position as Vice-President at Landsberg Orora, one of the largest fully integrated total packaging solutions companies in the U.S. since its inception in 1947. Doug's strong sales and marketing experience and welcoming personality have contributed to many of the relationships that Torrey Holistics has built with local, county, and state regulators.

Doug is an innovative and adaptable leader. His leadership was vital in the design and implementation of Torrey Holistics' state-of-the-art security protocols and systems, including cameras, video surveillance record-keeping, and on-site security team. In collaboration with Tony, Doug helped to oversee the team of design, engineering, construction, and legal specialists that assisted in the crafting of Torrey Holistics' world-class facility, which far exceeded the City of San Diego's rigorous and competitive standards for zoning, location, and security. Doug's deep understanding of the day-to-day operations of a premier retail cannabis business will allow our operations to seamlessly and compliantly integrate into the City of Santee community.

Torrey Holistics and its team are a resource for jurisdictions, and much of this can be accredited to the trust- and relationship-building that Doug has spearheaded. Additionally, Doug oversees most of the day-to-day operations, fund-raising, and charitable giving for Torrey Holistics. He is responsible for the creation and implementation of Torrey Holistics' delivery service and the creation of marketing special projects and events. He is also heavily involved in the design procurement of compliant, child-resistant packaging. Leveraging his decades of experience with Landsberg Orora, Doug will apply the same rigorous standards that apply to international packaging requirements while providing an unmatched level of security and quality control. Utilizing the latest developments in child-resistant packaging, Santee Holistics will remain at the cutting-edge of youth prevention and cannabis misuse by minors.

E. Neighborhood Compatibility Plan

1. Proactive Steps to Avoid Becoming a Nuisance or Having Negative Impacts on Our Neighborhood

The Executive Management Team of Santee Holistics is uniquely suited to operate a safe, compliant, and efficient commercial cannabis business within Santee. Our retail storefront will employ industry best practices from lessons learned over nine years of compliant cannabis retail operations in our four operating

Holistics retail dispensaries to ensure our proposed Santee location operates harmoniously with the surrounding neighborhood. The foundations of our Neighborhood Compatibility Plan are proactive communication, nuisance prevention, and mitigation efforts. We know neighborhood outreach and engagement is critical to successfully integrating and contributing positively to our community. To this end, Santee Holistics' team has engaged in talks with its landlord, neighbors, and community members in Santee to determine how best to engage with the community and serve its needs. These efforts are ongoing and will be a key feature of our pre-operations phase.

At our existing Holistics retail locations, we have implemented the "CPTED" system, or Crime Prevention Through Environmental Design, to ensure the safety of the surrounding area and retail storefront. We have engaged with CPTED experts in the design of each Holistics operating facility and will do so again at our Santee location. With professional guidance, our security and neighborhood compatibility efforts will be efficient and tailored to the unique environmental factors of the Santee community. The CPTED approach results in a positive and safe community not only for our employees and customers, but also for visitors to the area and most importantly our neighbors, both nearby and in the larger community. Building on the CPTED system, our comprehensive Neighborhood Compatibility Plan is carefully designed to prevent impacts from day one through initiatives including:

- Designating a **Community Liaison** and proactively disseminating of contact information and feedback mechanisms to the immediate community.
- **Thoughtful site development** and implementation of physical and social CPTED strategies to ensure that our premises are designed to reduce the potential for odor, noise, light, and traffic impacts.
- A **collaboratively designed premises management plan** to avoid creation of nuisance conditions or safety issues.
- A state-of-the-art, regularly maintained **odor control program** to mitigate negative impacts from product odor and waste management.

Santee Holistics plans to be an active, collaborative member of the community and will provide the City Manager with the name, landline and mobile telephone numbers, and email address of an on-site employee or owner who is available to take emergency notices at any hour of the day.⁴³

A. Noise

We do not envision the installation of any on-site systems or operations that would result in noise pollution, however, below are common concerns that may be raised by our neighbors or the public and our plans to mitigate the same:

- **Noise from construction:** When submitting plans for a Building Permit, we will submit a construction plan outlining plans to protect abutting properties from noise, dust, vibrations, or other construction nuisance.
- **Noise from HVAC or other systems:** Upon the procurement of any new machinery, we will ensure that our systems do not generate a level of noise beyond what is permitted within the City and will utilize physical sound and vegetative barriers where applicable to serve as noise protections.



⁴³ S.M.C. § 7.04.340(F).

- **Noise from alarms:** Internal alarm systems will not be audible to abutting properties.
- **Noise from distributor transport vehicles:** We will not contract with distributors who utilize transport vehicles that emit tonal noises during backup. Shipments are designed to be discrete.

Loud music will not be played in the storefront and any noise within the premises is not expected to be audible by people of normal sensitivity in the area. To the extent any complaints are submitted, they will be investigated and addressed. As necessary, machinery will be repaired or moved.

B. Lighting

To achieve our security objectives, we will ensure there is sufficient lighting to deter nuisance and criminal activity and facilitate thorough surveillance. Though the building is already equipped with some exterior lighting, we will install additional discrete exterior lighting as needed to facilitate surveillance and support safety objectives. All lighting will be dark-sky compliant and will remain downcast and shielded to not shine onto adjacent properties or into the night sky. Exterior lighting will allow night vision cameras to record any suspicious activity. Before the installation of any additional lighting, a photometric plan developed by a certified engineer will evaluate how the lighting solutions impact the subject parcel and any abutting parcels.

Neither exterior lighting nor any exterior signage will be designed to increase light pollution to abutting parcels. At our existing retail facilities, we have traditionally preferred a sophisticated approach to exterior design with no evidence from the exterior of the cannabis retail activities within. We plan to continue this subdued approach in Santee. In the unlikely event that we receive feedback relative to lighting conditions, the Neighborhood Liaison and management team will examine the site to observe the conditions reported, including taking pictures. As necessary and without sacrificing facility security, fixtures or bulbs will be replaced, moved, or otherwise adjusted.

C. Odor Mitigation Practices

If not properly managed, odor from commercial cannabis operations can become a security risk and a nuisance to the surrounding community and neighboring businesses. Though retail sales of pre-packaged cannabis goods are perhaps the least odor-intensive type of commercial cannabis activity, Santee Holistics remains committed to odor control in the interest of being a good neighbor and environmental steward. Our odor mitigation program is designed with the nature of the operations in mind and with an understanding of climate control demands that are unique to cannabis storage and prevention of odor. Cannabis or cannabis products will never be stored outdoors.⁴⁴

Santee Holistics will implement a sufficient odor-absorbing ventilation and exhaust system such that any distinctly cannabis odor generated within the facility is not detectable off-site, outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area 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 our building.⁴⁵

Our equipment choices, design practices, and engineering and administrative controls will be thoughtfully developed to excel even under sustained conditions that could otherwise push an inferior system to its limits,

⁴⁴ S.M.C. § 7.04.340(C).

⁴⁵ S.M.C. § 7.04.340(I).

and with redundancies employed to ensure uninterrupted mitigation. Current odor control strategies will be updated as new technologies become available and will be reviewed and updated as appropriate if an employee, a regulatory authority, or a member of the public reports a noticeable cannabis odor outside of the premises.

Odor Emitting Activities and Odor Controlled Rooms

All cannabis and cannabis products will arrive prepackaged at our premises. Absolutely no loose or open cannabis or cannabis products will be received into inventory or allowed on site. Products will be packaged and stored in rooms and containers that are further odor-controlled. All areas that contain cannabis goods, including the secure product storage room and the retail sales floor will contain odor mitigation technologies. Through lessons learned over the last nine years of operations in Southern California, we will proactively design our Santee premises to combat common odor escape points such as ventilation openings and equipment penetrations along the vault perimeter, and exterior doors along the larger facility perimeter.

Odor Control Devices and Techniques

Santee Holistics has consulted with H+W Engineering, a team of mechanical engineers with experience working in other commercial cannabis facilities, to prepare a sophisticated and comprehensive odor suppression system for our storefront. The odor control concept plan prepared by our mechanical engineering team will include negative room pressures and carbon filters which will be strategically placed at every exhaust system to capture any odor exiting the building. This will ensure that any odor leaving the building out to the environment is captured and scrubbed. Carbon filter cartridges will be replaced no longer than every 90 days and will be constantly impacted by facilities personnel. The premises will be equipped with an exhaust air filtration and ventilation system consistent with industry best practices to maintain air quality throughout the premises and prevent any detectable odor of cannabis from being emitted externally.⁴⁶ The facility will additionally be equipped with an air system that creates negative air pressure between the facility's interior and exterior, so that the odors generated inside the facility are not detectable on the outside of the facility.⁴⁷

Every cannabis-occupied space will be ventilated by a natural or mechanical means in accordance with current International Mechanical Code standards. Odor control equipment will employ activated carbon filtration and, if necessary, will also include ionizer air purification equipment. Carbon filtration systems will be installed in each room that is designated an odor-control room. Carbon filtration systems utilize pellets of activated charcoal to trap terpenes and impurities as air passes through "carbon scrubbers" installed in the ducting. Carbon filters are naturally ideal for odor mitigation and are the only filters that have the capacity to remove 99% of odor from our operations. Controlled exhaust ports will force air exiting the facility to pass through carbon filtration via low-volume exhaust fans.

⁴⁶ S.M.C. § 7.04.340(I)(1).

⁴⁷ S.M.C. § 7.04.340(I)(2).

We will also utilize air curtains mounted above the doors of odor-controlled rooms to prevent contaminants from moving from one space to another. It is our strict company policy that perimeter doors must be closed when any interior doors are open further preventing cannabis odors from escaping the confines of the premises. The building design and operations management will be optimized to restrict the flow of odor across the premises. Rooms that are odor-controlled will not have windows or other openings that allow for the release of air. We will eliminate odor escape through exterior equipment penetrations such as hydraulic cement or expandable foam.



If needed to further mitigate cannabis odors, Santee Holistics may also install an air purification system that converts oxygen and water molecules in the air into ionized hydroperoxides, super oxide ions, and hydroxide ions, i.e. friendly oxidizing agents known to kill or eliminate bacteria, mold, allergens and volatile organic compounds. Cannabis odor results from terpenes which readily evaporate at normal atmospheric conditions and are thus considered volatile organic compounds.

As we identify an appropriate local vendor to offer industry-specific odor control facilities, we will undertake the following:

- Demonstrate that the engineering control system and all components were reviewed and certified by a Professional Engineer or a Certified Industrial Hygienist as meeting professional expectations and sufficient to effectively contain, absorb, neutralize and ultimately mitigate all cannabis odors.
- Consult with the vendor to establish a specific odor control system maintenance plan including a description of the maintenance activities that will be performed according to manufacturer's recommendations, the frequency with which such activities will be performed, and the personnel responsible for maintenance activities. The activities will serve to maintain the odor mitigation system and optimize performance.

Training and Odor Mitigation System Maintenance

All employees will receive training during their orientation that is specifically targeted toward odor mitigation and proper handling of all nuisance or odor-related feedback, including:

- Identifying malfunctions in odor or other control systems.
- Identifying cannabis odors outside the facility and regular completion of a Cannabis Odor Inspection Log.
- Maintenance of carbon filters, including replacement of filters and properly recording maintenance efforts.
- Administrative controls including the importance of keeping interior and exterior doors shut.

Regular filter cleaning, maintenance, and replacement will occur to decrease the accumulation of any odor-causing build-up. The General Manager will oversee the regular maintenance of air filtration equipment and will ensure filters are replaced regularly to maintain the continued effectiveness of the odor mitigation system. The General Manager will check HVAC, carbon scrubbers, and air curtains to ensure full functionality daily. A log will be maintained indicating that no system deficiencies were observed. The General Manager will purchase replacements and change carbon filters no less than every 90 days, or sooner if odor is detected. All maintenance performed will be documented and tracked including preventative maintenance,

malfunctioning equipment, corrective action plans, performance testing, and monitoring of engineering and administrative controls. Records of any odor complaints received, whether it be from the City, local residents, or other parties, will be maintained by staff and addressed immediately. All complaints will be reported to the Neighborhood Liaison who will be responsible for coordinating with on-site staff and executive management to remedy the problem and respond to the complainant in writing within 48 hours of the conclusion of the investigation.

D. Other Nuisance Behaviors (Littering, Loitering, Consumption)

It is Santee Holistics' responsibility to maintain the premises and monitor both patron and employee conduct while onsite or within adjacent areas under our control to ensure behavior does not adversely affect or detract from the quality of life for adjoining businesses. Upon completing their purchases, Customers will be politely reminded to be considerate to neighboring businesses and patrons. We aim to be a positive addition to the neighborhood and business community alike and will take immediate action to remedy any issues should they arise. All customers will be informed that littering, noise, loitering, and other nuisance behaviors are not tolerated. We will post a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis anywhere on the premises or in the areas adjacent to the business is prohibited.⁴⁸ Additionally, we will ensure that no person will cause or permit the sale, dispensing, or consumption of alcoholic beverages or tobacco on or about our premises.⁴⁹

Our extensive video surveillance and on-site security guards will monitor the parking lot during all hours of operation. As a precaution and to ensure our security team is prepared for all circumstances, all security guards will be trained in verbal self-defense and de-escalation methodologies and will leverage this training to mitigate loitering and other disturbances with minimum impact to employees, customers, and our neighbors. Should a customer attempt to consume their cannabis goods on or around our site or engage in loud nuisance behavior, corrective action may include issuing a polite reminder and warning to the customer that the behavior is prohibited, asking them to leave, and if necessary, notifying local law enforcement.



E. Vehicle Traffic

Based on store square footage, the average daily vehicle trips and peak hour trips for the project are calculated using data published by the Institute of Transportation Engineers Trip Generation Manual, 10th Edition. The proposed Cannabis Establishment use is best classified as Institute of Transportation Engineers Land Use Code 882, "Marijuana Dispensary," defined in the Trip Generation Manual as being: *...a standalone facility where cannabis is sold to patients or consumers in a legal manner.*

Time Period/Direction	Proposed Use: LUC 882 – Marijuana Dispensary
Weekday Daily	202 vehicles (approximately 15/hour)
Weekday AM Peak Hour	18 vehicles
Weekday PM Peak Hour	27 vehicles

⁴⁸ S.M.C. § 7.04.340(B).

⁴⁹ S.M.C. § 7.04.340(C).

Weekend Daily	260 vehicles
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While we predict that *substantially* less vehicular traffic will occur than the study numbers due to the characteristics of the surrounding community and neighboring cities, including the prevalence of other cannabis retail establishments, we can reasonably anticipate that the proposed establishment does not substantially modify existing traffic patterns on or around the site. The facility will host 8-10 parking spaces on-site, including 2 ADA accessible spaces, and ample street parking adjacent to the facility. The average customer visit lasts no longer than 15 minutes from entry to departure, with most customers taking significantly less time, ensuring a quick turnover of available parking spaces.

F. Pedestrian Traffic

Given the industrial nature of the immediate community and the proximity of the facility to Highway 52, we anticipate the majority of our customers will access Santee Holistics via vehicle. However, we recognize the importance of being able to accommodate individuals traveling by foot or public transportation, including by train from the nearby trolley station. Our premises floor plan includes a spacious entry and check-in room designed to ensure that there is no congestion on the exterior of the site. To maintain an inviting storefront, Santee Holistics will regularly inspect the interior and exterior of the premises for any litter or refuse. This will begin before the beginning of business hours and occur several times throughout the day while the facility is open and again following the close of a business day. Employees will be sent to check for litter and refuse at a time to guarantee complete coverage of the premises.



Crime Prevention Through Environmental Design (“CPTED”)

Santee Holistics is deeply familiar with, and has implemented at its existing facilities, the CPTED strategy for a supremely secure retail storefront facility. We have engaged with a CPTED professional in the design of our prior businesses, and they have evaluated our proposed security and operational plans, including our neighborhood compatibility strategies for managing noise, light, odor, and vehicle and pedestrian traffic, to provide additional suggestions or strategies to further mitigate and deter crime and other negative impacts to the site and surrounding neighborhood. 1st Generational CPTED strategies are largely those physical security strategies discussed in our Security Plan prepared by our Security Consultant, Mr. David Bejarano. Mr. Bejarano is the former Police Chief of San Diego and Chula Vista, holding decades of experience in law enforcement and security. Chief Bejarano along with our team of additional security professionals will provide feedback and suggestions on both 1st and 2nd Generational CPTED strategies, the latter of which are more social in nature. For example, 2nd Generation CPTED strategies may include encouraging positive social

activities among Santee Holistic employees and other staff and patrons in the neighboring area to encourage a sense of ownership and vigilance regarding security, or community events to build positive relations with community members and customers. With a comprehensive CPTED analysis and plan of action, we will tailor and implement effective strategies to prevent crime and be a positive engine in the community.

G. Addressing and Responding to Complaints Related to Noise, Light, Odor, Public Consumption, Loitering, Littering, and Vehicle and Pedestrian Traffic

Community Liaison

Santee Holistics will designate our Marketing Director, Ms. Ruthie Edelson, to serve as our Community Liaison to the City.⁵⁰ During the past seven years, Ms. Edelson has led countless community outreach operations and neighborhood engagement for our Southern California retail locations. The Community Liaison will be the main contact to whom the notice of problems associated with the business, and their name, phone number, and email address will be provided to the City Manager as well as all businesses and residences within 100 feet of the premises.⁵¹ Santee Holistics recognizes the critical importance of maintaining an active presence within our communities. Our Manager will regularly attend local civic, business, and philanthropic meetings, including Santee City Council meetings as needed, to ensure residents have a familiar face to whom they can share questions, comments, or feedback relative to on-site operations. They will also be responsible for developing and implementing educational programs for adult and youth members of the Santee community. Immediately upon receipt of applicable permits from the City of Santee, we will commence an exhaustive outreach effort including:

- Provide all residential and commercial properties neighboring or near our proposed site a letter from the Executive Management Team introducing our mission and proposed operations and detailing the name, telephone number, and email address of our Community Liaison.
- Outreach to local civic, business, and philanthropic organizations.
- Prominently posting neighborhood contact information on our website, including means by which interested parties can offer feedback or nuisance complaints.

Our overall goal is to build a transparent relationship with the City and surrounding businesses to ensure that all feel comfortable and secure with our retail operation. One of the primary responsibilities of our Community Liaison will be to field community questions and concerns. During the first year of operations, Santee Holistics' ownership, management, and Community Liaison will attend meetings with the City Manager, and other interested parties as deemed appropriate by the City Manager, to discuss costs, benefits, and other community issues arising as a result of implementation of local law. After the first year of operation, Santee Holistics' ownership, management, and Community Liaison will meet with the City Manager as requested.⁵²

Additionally, Santee Holistics will designate our Security Consultant, Mr. David Bejarano, as our Security Liaison. The Security Liaison will be responsible for receiving and addressing any complaints or feedback and be reasonably available to meet with the Santee City Manager regarding any security-related measures or

⁵⁰ S.M.C. § 7.04.320(B).

⁵¹ S.M.C. § 7.04.460(A).

⁵² S.M.C. § 7.04.430(B).

operational issues.⁵³ The Security Liaison will also annually maintain a copy of Santee Holistics' Security Plan, which will be presented to the City Manager upon request and will meet the following requirements:

- Confirms that a designated manager will be on duty during business hours and will be responsible for monitoring the behavior of employees.
- Identifies all managers of the cannabis business and their contact phone numbers.
- Confirms that first aid supplies and operational fire extinguishers are located in the service areas and the manager's office.
- Confirms that burglar, fire, and panic alarms are operational and monitored by a licensed security company 24 hours a day, seven days a week, and provides contact information for each licensed security company.
- Identifies a sufficient number of licensed, interior and exterior security personnel who will monitor individuals inside and outside the cannabis business, the parking lot, any adjacent property under the business's control, and ensure that the parking lot is cleared of employees and their vehicles one-half hour after closing.⁵⁴
- A copy of the current Security Plan will be kept on the premises at all times.⁵⁵

We are hopeful our own neighborhood compatibility and security efforts will curtail any community issues. We intend to have our onsite security personnel conduct sweeps of the property multiple times per day and retail employees will daily pick up trash onsite.

Complaint Intake and Response

Due to our years of operational experience, extensive facility planning, and initial community outreach, we do not anticipate any concerns or complaints regarding our operations that cannot be mitigated through thoughtful site development and problem-solving. However, we are committed to providing multiple avenues for community members to provide feedback about the neighborhood impact of our operations. Santee Holistics will attempt to make it as easy as possible for the public to submit feedback using a conspicuously posted fillable form on our website, public and responsive social media channels, and continued, regular community outreach conducted by our Community Liaison.

Santee Holistics will utilize a centralized monitoring system to that allows us to receive and monitor all social media platforms, Google Business Profile reviews, Yelp reviews, website contact form submissions, support email inbox, phone calls, and local community forums such as NextDoor or local Facebook groups. We recognize that most people utilize social media such as Instagram or Facebook for sourcing information about businesses and is an easy way to keep lines of communication open between a business and its customer base. As such, we will designate the Marketing Director and General Manager to monitor these accounts and their direct messages throughout the day to ensure we receive and address any feedback or complaints through these channels. Both these employees will have access to all social media and communication channels, providing them with real-time notifications of direct messages and comments, promoting proactive engagement with the community through these channels.

⁵³ S.M.C. § 7.04.320(B).

⁵⁴ S.M.C. § 7.04.320(B)(1-5).

⁵⁵ S.M.C. § 7.04.320(B).

E. Neighborhood Compatibility Plan

We recognize operational feedback may also be offered in less direct or formal measures, including comments offered anecdotally by customers during a transaction; official complaints submitted to the City, feedback “passed through” local community members; letters; or even informal communications to staff on a chance passing. As such, all employees will be trained on how to properly respond to community feedback and, where applicable, immediately escalate reports to the Community Liaison. Santee Holistics is committed to developing and strengthening our ties to the neighborhood and to ensuring that our neighbors thrive along with us.



We will take steps to discourage and correct objectionable conditions that constitute a nuisance in the nearby street parking areas, sidewalks, and areas surrounding our business. This includes prohibiting smoking, creating a noise disturbance, loitering either on the premises or within 100’ of the premises, littering, and graffiti.⁵⁶ Santee Holistics will notify the Santee Sheriff’s Department if anyone continues to loiter around the facility or premises in violation of applicable law after all reasonable action has been taken to remove the individual(s) and the action has failed to do so in a timely manner.⁵⁷

All necessary actions will be taken to resolve any complaint, and all records of complaints will be kept onsite. Employees will document every complaint received, even if received in an informal setting. Employees will be trained to calmly listen to and accept all feedback and treat each comment with the same level of respect. Employees should take thorough notes and ask clarifying questions to understand the nature of the issue, including details relative to frequency, timing, and location. Employees will note the name, address, and

⁵⁶ S.M.C. § 7.04.340(L).

⁵⁷ S.M.C. § 7.04.340(L).

contact information of the person offering feedback. Employees will emphasize that the feedback is appreciated, the comment will be reported to proper superiors, and the complainant will receive follow-up communications shortly. The Employee will document the feedback in the Complaint Log and disseminate the information to the Community Liaison and the Chief Compliance Director.

Santee Holistics will implement a 24/7 notification system for urgent messages and is dedicated to same-day response to all digital communications. Any serious concerns will be escalated to the appropriate management level immediately, and **all complaints will be investigated within 24 hours of receipt, or earlier if necessary**. Investigatory methods, findings, involved personnel, and interactions with outside contractors or the City will be documented. We will update our SOPs and will hold additional employee training as needed to ensure that any identified nuisance does not occur again. The Community Liaison will follow up with the person offering the complaint within 48 hours of the conclusion of the investigation and regularly as needed. The Community Liaison will also regularly review the Complaint Log to ensure there are no “patterns” of complaints indicating system failure or malfunction.

As ongoing measures to ensure effective communications with the public to address any concerns they may have, the Marketing Director and General Manager will:

- Log all digital communications in the centralized database.
- Cross-reference with in-person complaints to identify patterns.
- Regularly report to the management team on digital feedback metrics.
- Develop response templates for common issues while maintaining the personal touch.
- Train all customer-facing staff on digital communication protocols.

H. Management of Day-to-Day Operations Resulting in a Positive Contribution Around the Location & Community

Santee Holistics shares the City’s goal of ensuring that all operations at its proposed facility are designed to optimize safety, contribute positively to our property and surrounding neighborhood, eliminate any potential negative impact on the surrounding neighborhood, and operate harmoniously within the immediate and larger Santee community. Our operational goals include:

- Ensuring the safety of customers, employees, and surrounding businesses.
- Facilitating efficient parking lot operations to minimize backup on adjacent streets.
- Minimizing the impact of traffic flow on adjacent businesses and nearby streets.
- Providing information to allow customers to get to and from the facility efficiently and safely.
- Promoting efficient coordination between Santee Holistics, the Santee Sheriff’s Department, local stakeholders, the City, and local organizations.
- Establishing and maintaining open lines of communication with nearby residents, neighborhood groups, and local businesses.
- Facilitating tenant and property improvements such as landscaping, site clean-ups, new signage, and other building improvements as approved by the property owner and tenants, as applicable.
- Implementing sustainability strategies.

E. Neighborhood Compatibility Plan

Our floor plan has been designed to accommodate customers while protecting consumer privacy, optimizing the customer experience, and preserving the flow throughout the site. We will utilize a digital tally system within the point-of-sale system to maintain an accurate count of who is in the facility at a given time. To facilitate the shopping experience for our customers, we will be sure to include clearly marked information about early bird senior-only shopping experiences, pick-up and appointment-only periods, traffic, and parking on our website and social media channels.

We will request the opportunity to meet with representatives from the City of Santee, local stakeholders, and the local Sheriff's Department to discuss site management before opening the storefront and as needed in the following our store's grand opening. We will meet with City representatives additionally as required by the City or upon request. Internally, we will review our operations regularly through outside monitoring and continued evaluation of average customer transaction times, customer experience, feedback received by employees and the Community Liaison, sales figures, and feedback from City officials.

The facility will be designed to complement the general character and aesthetics of the surrounding area. Maintaining a neat facility that positively reflects the community can help breathe new life into a neighborhood. We will ensure that no cannabis, cannabis products, or graphics depicting cannabis or cannabis products will be visible from the exterior of the licensed facility or any vehicle owned by the business.⁵⁸



With input from the site's property owner and neighboring tenants, Santee Holistics is determined to help facilitate building and site improvements at the facility as we have done at our other Southern California locations. The improvements we plan to make to the facility will integrate into the existing neighborhood while making drastic improvement to the overall aesthetic. Santee Holistics plans to drastically improve the front-facing façade of the building by painting the building and trim, replacing the fixtures, adding tasteful signage, and planting subtle but impactful landscaping. As shown in the below rendering, the building will use a natural color palette with added grass and a row of small bushes along the front. Small trees will be planted near the front corner of the building and throughout the larger parcel as possible. These subtle upgrades will add

⁵⁸ S.M.C. § 7.04.340(C).

warmth and have a substantial impact on the aesthetic of the otherwise industrial area, welcoming visitors into a comfortable space.



We also intend to complete the following ongoing improvements to the Santee building and grounds: new signage and site furnishings throughout the facility; twice-daily patrols by staff of parking area and premises for litter pick-up and to confirm that there is strict adherence to Santee Holistics' operation protocols regarding noise, loitering, etc.; professional cleaning of parking lots regularly in order to reduce negative stormwater impacts; and neighborhood cleanups along streets surrounding the site. We take pride in our site upkeep and understand a well-manicured site will increase traffic to the neighborhood's businesses and have included exterior photos of our San Diego, Oxnard, Chula Vista and Mammoth Lakes retail locations as a testament to our continual efforts to improve the building and property, thereby providing a positive impact for any community we operate in.

San Diego Location Before, a Photographic Survey conducted in 2017



San Diego Location After, a Photographic Survey conducted in October 2020



Oxnard Location, opened April 2024



Chula Vista Location, opened May 2022



Mammoth Lakes Location, opened December 2020



Our tenant improvements and operations at the Santee facility will, wherever possible, meet and exceed the City’s goals for sustainability. We are a member of the San Diego Regional Green Business Network and have had our San Diego facility and sustainability efforts evaluated by the San Diego Green Building Council. Like in San Diego, we intend to utilize water-saving, energy-reduction, and greenhouse gas emission-reduction strategies in our Santee operations and facility management. These strategies include low water plumbing fixtures within the facility, landscape updates to the premises including smart irrigation and climate-appropriate plantings, natural daylighting, energy-saving lighting and appliances, utilization of fuel-efficient, low-emission vehicles, installation of a bicycle rack to encourage alternative transportation to the site, staff incentives to carpool or take public transportation, maintenance and improvement of nearby sidewalks, and plan to engage with the landlord regarding the incorporation of rooftop solar panels. We will also designate a staff member in charge of overseeing our green operations including recycling and waste diversion efforts, sweeps of the parking lot and shopping center grounds to pick up litter to reduce negative stormwater impacts, organized beach and neighborhood cleanups, support of local Santee sustainability initiatives, and compliance with the Sustainable Santee Plan. All our sustainability efforts will have immediate positive impacts on neighboring businesses and residents.

2. Prevention of Diversion to Minors and Use of Cannabis Products by Youth

Santee Holistics understands its important responsibility to prevent the diversion of cannabis or cannabis products to individuals under the age of 21 and has developed a strategic and thorough approach to ensuring the security of our cannabis and cannabis products. Santee Holistics will never sell or give cannabis or cannabis products to individuals under the age of 21.

The first step in preventing access to minors is limiting access to the facility to individuals aged 21 or older by verifying a valid government-issued photo identification, using state-of-the-art ID verification software.

Employees will be trained to verify valid identification and identify fraudulent identification. If the identification provided is suspected to be invalid, the employee checking the ID will notify the manager on duty, who will determine the best course of action, which may include verifying a second form of photo identification or, if the customer's identification cannot be validated, asking the customer will be politely asked to leave the premises.

IDs will be redundantly verified by the onsite security guards who grant access to the building, the receptionist who checks in the customer, and the employee performing the sales transaction within the sales area to ensure the customer is authorized to be in the facility and purchase cannabis products. Any outside vendors, contractors, visitors, maintenance personnel, or regulatory authorities must have their government-issued ID and any relevant credentials verified before being permitted access to the facility and will be required to wear a visitor's badge at all times while onsite. Loitering on or around the premises is strictly prohibited, and we will ensure that only individuals engaging in an activity permitted by the DCC or applicable laws are allowed to remain on the premises. Within the facility, cannabis, cannabis products, and cash will be stored in a secure vault which is access-limited to authorized personnel only.

Beyond limiting facility access, Santee Holistics will ensure that purchase limits on cannabis items are followed, deterring distribution by the purchaser to minors. All packaging and labeling will be DCC compliant, including child-proof packaging and labeling that does not imitate any package used for products typically marketed to children. Santee Holistics' marketing team will be mindful of brand placement and content, ensuring it is not attractive to, or located in an area dedicated to, minors. Further, Santee Holistics' website will have an "age gate", which confirms the visitor is at least 21 years of age and denies access to those under 21.

Employees will receive both initial training (during their onboarding process) and ongoing, on-the-job training on the prevention of diversion to minors to ensure that our facility does not present a risk to Santee's youth. All employees will receive, at a minimum, training on the proper use of security measures and controls for the prevention of diversion, theft, or loss of cannabis, most importantly to minors. All employees will aid in the security of the facility through prevention, awareness, reporting, and responsible incident management.

A. Youth Education and Resources

The Community Liaison will be responsible for working with the City to develop and implement public outreach educational programs targeted to young members of the community to educate them and provide resources related to drugs and drug addiction.⁵⁹ Santee Holistics will partner with the City of Santee, local youth organizations, and educational institutions to provide these educational programs and resources to the community.

⁵⁹ S.M.C. § 7.04.460(C).

F. COMMUNITY BENEFITS AND INVESTMENT PLAN

1. Benefits the Business will provide to the Local Santee Community

A cornerstone of Santee Holistics' purpose-driven Community Benefits and Investment Plan is a commitment to positively impact the community where we are located. Benevolence is engrained in our company's ethos and business plan. We believe that cannabis businesses have an obligation to the health and well-being of their employees, customers, and the neighborhoods in which we operate. As such, community engagement and philanthropy are core company values. As members of a budding industry, we recognize that we have a broader duty within the Santee community to provide tangible value through community service, monetary donations to local organizations, and support of City-sponsored activities or programs. We intend to demonstrate our value as a contributing, positive force within Santee through a continued commitment to implementing our Community Benefits and Impact Plan, including the following objectives:

- Directly aiding, participating in, or funding the work of local non-profits, community-based organizations, civic organizations, and social services organizations.
- Building upon our existing legacy of philanthropic giving through the establishment of a Community Benefits Committee (the "Committee") to develop and execute quantifiable metrics.
- In addition to committing to 5.5% annual gross receipts to the City, we commit to reinvesting an additional 0.5% of gross profits in the Santee community through monetary donations to community organizations with guidance with from our Community Benefits committee.
- A goal of hiring 75% of staffing needs for our retail storefront from the City of Santee.
- Offering competitive hourly wages to boost the local economy.
- Organizing community service projects and regularly volunteering with Santee philanthropic organizations.
- Actively participating in Santee civic, business, and philanthropic endeavors.

If selected, and before being issued a cannabis business permit, Santee Holistics will establish and memorialize the details of all our commitments to the community in a Community Benefits Agreement with the City of Santee to ensure Santee can expect an excellent community partner.⁶⁰ This Agreement will set forth the terms and conditions under which Santee Holistics will operate that are in addition to the requirements of local code, including, but not limited to, public outreach and education, community service, payment of fees and other charges, and protection and promotion of the public health, safety, and welfare.⁶¹

⁶⁰ Santee Code §7.04.110(A).

⁶¹ Santee Code §7.04.330(C).

The terms and conditions within this Agreement will be approved by the City.⁶² Commitments in this Agreement may include, among other items, in-kind donations; sponsorship of select community events; financial support for special community events such as fairs, afterschool programs, youth centers, local schools (whether public or private); school athletic programs; school clubs; community centers, homeless shelters, senior centers and/or senior living facilities, and/or parks and recreation programs, and the payment of mutually agreeable fees and charges, including the above-referenced 5.5% of annual gross receipts.⁶³ Santee Holistics understands that this commitment to the City acts in lieu of a commercial cannabis tax, and as such, may include terms in the Agreement that this payment expires upon the establishment of a commercial cannabis tax.⁶⁴

A. Community Benefits Committee

To achieve our overarching goal of positively impacting the Santee community, we recognize the importance of leveraging the expertise of local team members with a proven history of conceptualizing, designing, and implementing robust community outreach endeavors. The Committee will be entrusted with coordinating employee volunteer opportunities and tracking hours of service; identifying Santee organizations to receive funds each calendar year, and continued collaboration with City representatives to ensure we are providing timely and substantive support to City programs and initiatives.

Each year, the Committee will develop measurable philanthropic goals related to quarterly philanthropic donations, regular community service initiatives, and collaboration with the City. They will also evaluate our progress towards meeting the goals of the previous year and analyze whether our practices are in line with our values. The report will be submitted to the full Executive Management Team for review. The Committee will be led by Ruthie Edelson, East County native and our Marketing Director and Community Liaison, and will also include Tony Hall, our CEO, and Doug Gans, our COO.

As detailed below, our long record of community service and philanthropy is instilled in the company's DNA. At the Santee facility we seek to expand our emphasis on social commitment through the donation of time, finances, and expertise to local organizations with complementary missions of achieving public good. Santee Holistics' Executive Management Team is personally invested in giving back to the communities and looks forward to involving our staff members in our community service activities.

B. Community Engagement

We believe that consistent, continued engagement with community members is a critical component of operating a facility that exists harmoniously within the existing neighborhood. Specific community outreach initiatives that we will undertake to achieve this goal include ongoing community engagement, youth drug prevention, hosted community gatherings, educational resources, and discounts for certain demographics. Our Community Liaison Ruthie Edelson will attend as many civic or business association meetings for the associations serving our facility as possible. As applicable, we will seek paying membership in such organizations and sponsor community building activities.

⁶² Santee Code §7.04.110(B).

⁶³ Santee Code §7.04.110(C).

⁶⁴ Santee Code §7.04.110(D).

Santee Holistics wants the citizens of Santee to know that the unlawful use of cannabis has severe consequences. Although recreational cannabis is legal in the State of California, penalties remain for recreational use under the age of twenty-one and medical use without a recommendation. To raise awareness about the penalties for the unlawful use of cannabis, Santee Holistics plans to partner with the Santee Sheriff's Station, if possible, to hold community discussions. We will invite local elected officials to participate and request engagement from the Sheriff's Station on agenda and priority initiatives from a public health and safety perspective. Our community must work together to denounce and discourage the unlawful use of cannabis in our community, and Santee Holistics is committed to being an active participant in this effort.

During these community discussions, Santee Holistics will solicit feedback from the community. Community feedback is essential to understanding the best way to reach our neighbors. There is a lot of misinformation about the use of cannabis and the consequences of unlawful use. We will promote these community discussions through traditional media and social media. To drive attendance to these important events, we will also encourage the Santee Sheriff's Department and local elected officials to promote the community discussions.

We hope to hold these community discussions at Santee public library or other community center so that students and young people can have access to this important information. We are happily prepared to facilitate and sponsor these discussions. These events will be incredibly productive because social media makes students especially vulnerable to bad information about cannabis and drug use. We believe that young people must be empowered with the right information to make healthy and productive decisions and as such, will provide ample resources available to youth related to drugs and drug addiction.



Community Gatherings

Santee Holistics will seek to convene community members to learn more about our proposed operations at gatherings promoted to local businesses, neighborhood associations, area nonprofits, and other local operators of licensed cannabis businesses. It is important to hear the community's voice and ensure that community members' needs are incorporated into our company's proposal to operate within Santee. At community gatherings, we will educate local business owners on all elements of how the cannabis business and security plans operate and listen to any questions or concerns they have about the presence of this cannabis operation in their locale.

We will work with local businesses and neighbors to answer any questions and to accommodate any concerns they may have. Follow up meetings will be scheduled to provide the results of any requested accommodations and establish an open line of communication to address any issues that arise in the future. Santee Holistics is committed to being a great cooperative neighbor and will invite local law enforcement to give a presentation on the legal consequences of the unauthorized use of cannabis. Our goal is to foster an inclusive environment where neighbors feel safe asking questions about our operations, products, and philanthropy. These local initiatives will build upon existing company values that the Santee Holistics team has already implemented in the communities where it operates, as demonstrated through glowing recommendations from law enforcement officials and business leaders in San Diego.

Health & Education Classes

Informational seminars may be held for cannabis consumers to cover a variety of topics, including California and Santee commercial cannabis rules and regulations, methods of consumption, dosage and serving size suggestions, cooking, and general information on safe and responsible use. Educational sessions will be open to the public and will include talks by local and national experts regarding general health and wellness, diet, exercise, stress management, and other important holistic and self-care health-related topics. Sessions can focus on cannabis consumption, such as how concentrates differ from flower, and how to properly administer medical cannabis will be limited to verified adult customers and patients. Absolutely no cannabis would be consumed at the facility by employees or clientele, either during these sessions or at any other time.

Compassionate Services & Product Discounts

Santee Holistics' founders have developed a robust community discount program to serve those in need or honor those who have sacrificed for our country and community, which will be implemented at its proposed operations in Santee.

Healing Our Heroes

Santee Holistics will offer a 10% discount to all veterans and military families. This program will be called Healing Our Heroes. As part of this program, we will help customers understand the potential benefits and effects of using cannabis to treat wounds of war like Post Traumatic Stress Disorder ("PTSD") and Chronic Traumatic Encephalopathy ("CTE"). Veterans across the country have testified that medical cannabis has provided relief for their PTSD. The American Legion with nearly 2.5 million members is currently advocating for more access to medical cannabis for veterans.

Community Service Discounts

In order to encourage our consumers to give back to their local Santee community, Santee Holistics will implement a Community Service Discount initiative, which will offer a range of discounts to patients and consumers who regularly volunteer at local charitable organizations. We will create a simple form, available for customers pick up from the facility to track their volunteer time and include a place for the charitable organization's supervisor to confirm any completed volunteer hours. For purposes of the discount, Santee Holistics' consumers are not required to complete all of their volunteer hours at one charitable organization. In fact, Santee Holistics encourages consumers to divide the hours over numerous identified organizations. For every five volunteer hours Santee Holistics customers complete and record, the customer will receive a 10% discount on their next two (2) purchases. If a customer completes ten (10) or more volunteer hours in a month, the customer will receive a 20% discount on all purchases made for the rest of the month in which the hours were completed. Santee Holistics will never give away cannabis or cannabis goods for free.

C. Philanthropic Contributions to Community Organizations

Our founders have a deep-rooted commitment to supporting the communities where they operate. This is demonstrated through our four existing retail operations' prior philanthropic endeavors, as well as Santee Holistics' inclusion of philanthropic giving as a line item within its business plan. Charitable donations are equally prioritized with other necessary business expenses.

Santee Holistics commits to providing at minimum 1% of store net profits to the community through its community benefits and investment program. This is expected to generate an estimated \$43,552 in funds during our first three years of operations for the benefit of the Santee community. The community benefits will be made in accordance with our proposed community benefits program, which includes direct aid for non-profits, sponsorship of city events, and in-kind donations.

Direct Aid to Santee Nonprofits

Santee Holistics believes that well-funded health programs and social services are the bedrock of a thriving community. This belief is why we plan to identify several various Santee nonprofits to work with in the future. Once licensed, we will continuously work with the City, our Community Benefits Committee, and Santee residents, including our local employees, to identify additional worthy programs or local causes where our contributions will make the greatest impact. We have identified several nonprofit organizations with whom we have established relationship below and look forward to identifying and establishing relationships additional nonprofits that make impactful contributions to the Santee community.

Santee Holistics has initially identified several organizations that it believes will be great to support, but this list is not designed to be exhaustive and is subject to change upon further collaboration with the community, the City, and our Community Benefits Committee:

Santee Food Bank

The Santee Food Bank has been a community partner since 1983, providing Santee residents in need with temporary food assistance. We are a wholly independent, non-profit 501(c)(3) organization that partners with local resources to serve approximately 400-450 families and senior residents each month. Our mission is to alleviate food insecurities within the community.



We have 25-30 core volunteers who generously give their time and collectively donate approximately 16,000 hours a year. Never in its history has anyone ever been paid to serve. The organization is a true all-volunteer community effort. All monetary donations support the mission of the Santee Food Bank.

Santee Santas Foundation

The Santee Santas Foundation is a local non-profit 501(c)(3) registered organization, providing help to members of the community living within the Santee School District boundaries and in need of assistance. Santee Santas' signature effort is an annual holiday children's toy and food assistance drive focused on bringing the Christmas spirit to families in our community. Our senior outreach program helps to ensure seniors in our community who are living alone or in senior care facilities are not forgotten over the holidays. Santee Santa volunteers serve the Santee community throughout the year and have done since 1953! Santee Santas is an all-volunteer organization, with current and retired school district employees, City of Santee staff, firefighters, local businesses, service organizations, mobile home parks, and local citizens working together to make each year's endeavors successful. There are minimal administrative costs; all donations are tax deductible and are used to assist families and seniors in need of help.



Santee Mission Foundation

Founded in 2019, Santee Mission Foundation is a locally organized charity with a goal of improving the lives of those in our community in whatever way we they are able to help.



The Santee Historical Society



The Santee Historical Society was established in the early 1950's by Harriett Wade. She has the distinction of having saved the green and white 1913 Barn from destruction. The building is now a federal historical landmark, museum, and the office the Santee Historical Society. Harriett Wade became ill in 2001 and the Santee Historical Society disappeared for almost 6 years. Elaine Murphy and Elaine Brack helped re-establish the Santee Historical Society in 2006.

Support of City Sponsored Events

A portion of our annual community benefits budget will go towards our help and participation in City-sponsored events. As part of our participation in such events, we will volunteer the service of our employees on a quarterly basis at a minimum, or as frequently as major City-sponsored events arise. Additionally, because many City-sponsored events are typically family-oriented, Santee Holistics will participate through financial sponsorship that neither cannabis nor our brand will be visible to festival attendees. Santee Holistics looks forward to integrating into the Santee community through its presence at City events.

Santee Holistics has initially identified several City sponsored events that it believes will be great to support, but again, this list is not designed to be exhaustive and is subject to change upon further collaboration with the community, the City, and our Community Benefits Committee:

Santee Street Fair and Craft Beer Festival



This signature annual event, typically held in May, is the largest single-day festival in the East County region, attracting over 30,000 attendees. The event features over 300 food and vendor booths, craft beer gardens, two stages of live entertainment, and a special Kids Fun Zone. In sponsoring the Santee Street Fair, we support the city's goal of promoting local businesses, fostering community connections, and celebrating Santee's vibrant culture. We are excited to support this important community gathering, and due to the family-friendly nature of the event, our sponsorship will not be visible to attendees.

Santee Summer Concert Series

The Summer Concert Series runs from June through August at Town Center Community Park East, providing free live music entertainment for thousands of Santee residents. These family-friendly concerts feature a variety of musical genres and create an opportunity for community gatherings and celebrations. We support the city's goal of providing accessible entertainment and cultural experiences for all residents. Our sponsorship will help ensure these beloved community events remain free and open to the public while maintaining appropriate discretion regarding our involvement.



Santee Holiday Lighting Celebration



This annual December tradition brings the community together at Santee Trolley Square for the ceremonial lighting of the Christmas tree. The event features live entertainment, seasonal refreshments, children's activities, and photos with Santa. By supporting this event, we help foster community spirit and create lasting memories for Santee families. Our sponsorship will contribute to event amenities while remaining unlabeled to maintain the family-friendly atmosphere.

Santee Parks and Recreation Community Events

Throughout the year, Santee's Parks and Recreation Department hosts various community events, including Spring and Fall Festivals, Movies in the Park, and special holiday celebrations. These events provide recreational opportunities for residents of all ages and promote active, healthy lifestyles. We will support these programs through financial sponsorship and volunteer support, helping to maintain and enhance these valuable community gatherings while ensuring our participation remains discreet and appropriate.



Annual Volunteerism

Throughout our multiple locations, we have discovered that empowering employees to give back in a philanthropic manner boosts morale and fosters teamwork and collaboration while enhancing our immediate community. As such, regular, meaningful volunteer work is a critical component of our company's corporate values. All employees will be encouraged to participate in two or more Santee specific volunteer events a year. All employees will receive 20 hours each year of paid time off for volunteer and community service projects. Our company is committed to being a responsible neighbor and making a positive impact on the immediate Santee community. At least once a quarter, Santee Holistics will sponsor and host neighborhood activities that offer support to Santee's most vulnerable citizens, and we plan to organize

clean up days for local parks and public spaces. Our company firmly believes that volunteerism within the community creates strong community ties and employee satisfaction.

Past Philanthropic Contributions

Santee Holistics' team has consistently made significant donations in its nine years of operations to several non-profits, community organizations, civic organizations, and social services organizations within the communities in which we operate. A summary of some of our proudest efforts are below.

Doobies for Boobies

Currently, and throughout October, all retail locations are participating in “Doobies for Boobies”, a promotion which benefits the Shades of Pink Foundation through the purchase of select pre-rolls. Once October is over, each retail location will make its donation to this breast cancer support organization.



Weed for Warriors



We believe we have a sacred duty to honor our veterans with services that reflect their sacrifice and bravery. Since 2017, we have raised over \$40,000 for Weed for Warriors, a nonprofit organization that supports and advocates for veterans and military families by supporting holistic re- habilitation for veterans through community-based projects, proactive care advocacy education, and compassion.

Oxnard Police Activities League

The Oxnard Police Activities League (“PAL”) is a city-wide, after-school crime prevention program, which provides outreach to youth, ages 7 to 18. PAL offers recreational, educational, and enrichment programs - all without cost to participants. Our objective in partnering with PAL is not only to improve the lives of Oxnard youth and increase access to resources. Our donations to PAL help expand the PAL’s workforce development and gang diversion initiatives in the Oxnard area.



League of United Latin American Citizens (LULAC)

We donate to LULAC because we believe in its mission to advance the economic condition, and educational, health and wellness, and civil rights access of the Latinx population.

Oxnard Firefighters Foundation

As California residents, we deeply appreciate the hard work of our local firefighters in fighting fires and responding to community emergencies. We were happy to support the Firefighters Foundation in Oxnard. The work of the Firefighters Foundation is critical and ever more so during the pandemic where public health and safety are primary municipal concerns.



Cancer for College



Cancer for College is a San Diego County-based charity that provides scholarships and mentoring to low-income cancer survivors. We are a proud financial sponsor of Cancer for College because we want cancer survivors to realize their dream of a college education. Since 1993, Cancer for College has provided over \$3.5 million in scholarships to almost 1,400 cancer survivors. The charity has expanded to offer educational experiences, allowing scholars to meet and learn from some of the powerful and successful people who support the charity. Cancer for College scholars successfully graduate from college at a remarkable 98% rate. The charity is making a positive impact on the cancer community.

MaxLove Project

MaxLove Project is an Orange, California based organization on a mission to increase the quality of life and reduce health risks for all children surviving cancer, both in treatment and beyond, by empowering families with “fierce foods” culinary medicine, whole-body wellness resources, education, and research. We have previously provided support to MaxLove Project by not only donating funds but also by promoting its cause and providing educational content.



Inyo Mono Advocates for Community Action, Inc. (IMACA)



IMACA is an Eastern Sierra-based organization that supports and empowers vulnerable populations through direct assistance and advocacy. Mammoth Holistics is a proud supporter of IMACA's mission to ease the impact of poverty in our mountain communities. Through our donations, we help IMACA provide essential services including food assistance, during our December Food Drive.

COVID-19 Response

In light of challenges faced by local healthcare organizations to obtain critical personal protective equipment throughout the peak period of the COVID-19 virus, Torrey Holistics launched into action, donating over 7,000 N95 face masks and over 10,000 hand sanitizers to various health centers, local organizations, customers and staff. With shortages of medical supplies around the country caused by the COVID-19 international health crisis, our founders identified an opportunity to directly help their community, the medical workers on the frontlines, and those most vulnerable. The founders immediately deployed connections from their past career in protective equipment and provided direct donations to 6 different hospitals and health clinics, including American Red Cross, VA San Diego, Family Health Centers of San Diego, Scripps Hospital, UCSD Jacobs Medical Center, St. Paul's Senior Services, and Remedy RX.



Past Volunteer Contributions

As described above, Santee Holistics is deeply encouraging and supportive of employee volunteer efforts, and as an organization has contributed time, energy, and manpower to several local philanthropic endeavors. Some of our past volunteer contributions are described below.

Got Your Back San Diego



In a joint effort to combat childhood food insecurity in San Diego, Torrey Holistics partnered with Feeding Kids First to participate in their ‘Got Your Back San Diego’ program. With over 20,000 children in San Diego schools unsure of when or where their next meal would come from, our team felt compelled to use our collective voice to make a difference. Patients who donated a 16-ounce plastic jar of peanut butter– the most commonly requested source of sustained nourishment–or a ten-dollar donation were rewarded with complementary products.

Crohn’s & Colitis Foundation



Torrey Holistics was proud to contribute to our employee’s charity run for the Crohn’s and Colitis Foundation, a non-profit, volunteer-fueled organization dedicated to finding cures for Crohn’s disease and ulcerative colitis and improving the quality of life of children and adults affected by these diseases. Shelby, our employee, participated in the Napa-to-Sonoma Wine Country Half Marathon, raising \$3,200 in the process. We were proud and honored to support her run for research.

Beach Cleanups



This year, our Oxnard team participated in an Ormand Beach cleanup day, an event sponsored by community organizations. At this event, the team cleaned up nearly 1,200 pounds of garbage, leaving a lasting impact on the shore. In 2019, our San Diego team partnered with other industry leaders to clean up La Jolla Shores as part of California’s Coastal Cleaning Day. The group collected an impressive total of 140,000 pounds of waste from various beaches and watersheds.

Member, West Ventura County Business Alliance



Oxnard Holistics is also members of the West Ventura County Business Alliance, the Chamber of Commerce serving the cities of Camarillo and Oxnard. The WVCBA is the voice for the interest of business with government, promotes economic development, works to improve the regional economy, and protects the business interests of the two communities.

2. Employee Economic Benefits

As thoroughly described in our Labor and Employment Plan, Santee Holistics is deeply committed to hiring local residents and proudly offers competitive wages, comprehensive benefits, and ample opportunity for career growth education while employed. Our founders have been job creators for nearly a decade in the cannabis industry, having hired dozens of individuals, many of which have parlayed that experience into management and leadership roles both inside and outside of the cannabis industry. We understand that our employees are our most valuable asset, and through our owners’ various state cannabis licenses, in nine years, our executive team has paid \$10.9 Million in wages and benefits—a major contributor to jobs in the California cannabis market.

100% of our Santee Holistic employees will earn competitive wages for our area and industry. Subject to market conditions, our lowest-paid employee will earn \$19.00 and \$20 per hour plus tips in Years One and

Three respectively. From our other locations, we know that our workers receive on average \$5.00 - \$7.00 per hour in tips, significantly boosting the employees' take home pay. Store Managers will start at \$32.6 per hour. Our compensation packages will be supplemented by periodic performance evaluations and opportunities for investment and promotion. In addition to offering competitive wages, **Santee Holistics strongly believes in equal pay for equal work.** We have worked diligently to eliminate pay disparities, guaranteeing that all genders of all backgrounds have equal earning power.

3. Local Hiring and Plans for Local Outreach

Santee Holistics is ready to serve as an economic engine for the City. **Santee Holistics anticipates Santee residents will perform approximately 75% of its annual payroll hours.** We will launch targeted local recruiting campaigns to ensure our store manager and leads also reside in Santee and represent the diverse culture of the region. We hope to collaborate with local officials to promote social equity in the industry, especially for those who have been historically targeted by discriminatory practices during the “war on drugs.” To remain consistent with this deep history of diversity and cultural acceptance, we are committed to providing a safe, healthy, and economically beneficial workplace for all employees regardless of gender, race, religion, or cultural heritage.

Paying our employees a competitive wage will directly benefit the City and greater San Diego County. Employees who earn higher salaries and wages have a larger disposable income to purchase products and services in the Santee community. This in turn allows small businesses to hire more people and pay higher wages, which in turn allows more people to purchase more products and services. With our pay structure, we hope to inspire, support, and accelerate this economic cycle, increasing state and local government payroll and income tax revenue.

Local Outreach and Recruitment

As an existing operator in four California communities, Santee Holistics and its leadership have honed its process for hiring excellent local employees for positions at every level. To meet our ambitious goal of hiring 75% Santee residents, we will deploy numerous outreach efforts in Santee. Not only will these efforts attract talent for our team, but they will also increase our name and presence in the community, familiarizing residents with our business before we even open our doors. These efforts include:

- Chamber of Commerce Collaboration:
- Active participation in Santee Chamber of Commerce networking events to build relationships with local business leaders and potential employees.
 - Posting all job openings on the Chamber's job board.
 - City Partnerships: We will work closely with the City of Santee's Economic Development Department to tap into local workforce resources and job posting platforms.
- Online Job Platforms: We will utilize popular online job boards, particularly Indeed, to post all our job openings. This platform's wide reach will help us connect with local job seekers who prefer online job searching.
- Social Media Campaigns: Targeted social media advertising campaigns will be used to reach Santee residents with job postings and career information.
- Community Job Fairs: Santee Holistics will host job fairs at local community centers or libraries, providing residents with easy access to employment opportunities.

- **Local College Outreach:** We will establish relationships with nearby educational institutions such as Grossmont College and San Diego Christian College to create internship programs and entry-level job opportunities for students and recent graduates over the age of 21.
- **Sister Store Websites:** Job openings will be cross posted on the websites of our other local sister stores. This approach will leverage our existing network and potentially attract experienced candidates who are familiar with our company culture and operations.
- **Local Newspaper Advertising:** Regular job listings will be placed in Santee's community newspapers, such as the Santee Patch or East County Californian, to reach a broad local audience.
- **NextDoor App Engagement:** We will utilize the NextDoor app to post job openings, reaching Santee residents directly in their neighborhood networks.

Through the use of these proven strategies to recruit local talent, we are confident we will meet our hiring goals and provide significant opportunities to the residents of Santee.

4. Direct Fee Offered to the City

The City does not currently impose a cannabis tax. If and when the City passes a cannabis tax, Santee Holistics expects to be able to provide substantial tax revenue to the City for many years to come. Until then, Santee Holistics is **committed to providing the City 5.5% of its gross receipts, which exceeds the minimum gross receipts requested by the City in the Cannabis Business Permit application procedures.** Based on our projected sales in Years One through Three. We anticipate making payments of \$294,651 in Year One, \$324,116 in Year Two, and \$356,528 in Year Three for a total of nearly One Million Dollars (\$1,000,000) paid to the City during our first three years of operations.

G. PROPOSED SITE PLAN

1. Existing Site Information

A. Physical Address


The physical property address is 10017 Prospect Ave., Santee, CA 92071 and the APN is 384-180-01-00. The adjacent parcel (which is associated with situs address 10032 Prospect Ave. and APN 384-180-02-00) is owned by the same property owner and was acquired at the same time. The two adjacent parcels share parking areas and as Santee Holistics will have access to these additional parking areas on the adjacent parcel, both parcels are included in the Site Plan.

B. Description of the Existing Site, Buildings, Parking Spaces, Driveways, Pedestrian Sidewalks and Right of Ways

The existing site (APNs: 384-180-01-00 and APN 384-180-02-00) consists of four single story buildings which are used for a mix of office, retail, manufacturing, and storage spaces. There are two buildings which have street-facing facades, and Santee Holistics intends to locate in one of these.

This proposed building to be used for Santee Holistics' retail store is 1,137 square feet. The second building with a street facing façade extends back and behind the proposed dispensary in an L-shape. This building has 5 suites, which are occupied by offices, storage space, and a kitchen and bath contractor. There are two additional buildings behind these towards the back of the lot which are only accessible via a gated fence accessible in the parking area. These are occupied by a restoration company and a wood design business.

The parking area is separated into two sections with access from Prospect Ave. The parking area immediately in front of the proposed retail store includes two regular and two ADA parking spaces. The adjacent parking area hosts approximately an additional 10 parking spaces but is unpaved gravel with undefined spaces. This unpaved parking section will be paved and striped in accordance with local regulation before our final

RECORDING REQUESTED BY First American Title Company National Commercial Services MAIL TAX STATEMENT AND WHEN RECORDED MAIL DOCUMENT TO: Cozza Properties, LLC Attn: Frank C. Cozza 9941 Prospect Avenue Santee, CA 92071	DOC# 2015-0566041  Oct 29, 2015 01:41 PM OFFICIAL RECORDS Ernest J. Dronenburg, Jr., SAN DIEGO COUNTY RECORDER FEES: \$1,408.50 PCOR: YES PAGES: 2
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Space Above This Line for Recorder's Use Only

A.P.N.: 384-180-01-00 and 384-180-02-00 File No.: NCS-753412-SD (Is)

GRANT DEED

The Undesignated Grantor(s) Declare(s): DOCUMENTARY TRANSFER TAX \$1,380.50; CITY TRANSFER TAX \$0.00;
☒ computed on the consideration or full value of property conveyed, OR
☐ computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
☐ unincorporated area; ☒ City of Santee, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **ROBERT L. BATES, AN UNMARRIED MAN, AS TO PARCEL 1 AND ROBERT BATES, AN UNMARRIED MAN, AS TO PARCEL 2** hereby GRANTS to **Cozza Properties, LLC, a California limited liability company** the following described property in the City of Santee, County of San Diego, State of California:

PARCEL 1:

THE NORTH 140.00 FEET OF THE WEST 94.16 FEET OF LOT 33 OF STEVENS AND HARTLEYS FREE WATER TRACT, ACCORDING TO MAP THEREOF NO. 1231, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY.

PARCEL 2:

THE WEST HALF OF LOT 33 OF STEVENS & HARTLEYS FREE WATER TRACT, ACCORDING TO THE MAP THEREOF NO. 1231, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JANUARY 31, 1910.

EXCEPTING THEREFROM THE SOUTH 309.74 FEET THEREOF.

ALSO EXCEPTING THEREFROM THE EAST 20.00 FEET THEREOF.

ALSO EXCEPTING THEREFROM THE NORTH 140.00 FEET OF THE WEST 94.16 FEET THEREOF.

Mail Tax Statements To: **SAME AS ABOVE**

inspection. Per the Letter of Intent between Santee Holistics Inc. and the property owner, Cozzo Properties, LLC, the property owner will provide Santee Holistics with sufficient paved parking spots for the retail use. See attached to this Section G Proposed Site Plan. As mentioned, the rear of the adjacent parking area has a sliding gate along the back side of it, which segregates access to the rear of the site and the other businesses housed in the three other buildings. Each parking area has its own driveway, which are wide enough to accommodate normal cars and delivery vehicles, are bidirectional, and accessible directly from Prospect Avenue. There is a sidewalk conveniently located along Prospect Avenue making pedestrian access to the facility easy and safe.

C. Photographs of the Existing Property and Buildings

See below for photographs of 10017 Prospect Ave., Santee, CA 9207 and the proposed retail building below. You may notice that proposed retail building has the situs address of 10032 posted above the front entrance. We have confirmed with the property owners that this was done by a tenant for convenience, but the property owner confirmed the building below is assigned the situs address 10017 Prospect Ave. Santee Holistics will update the posted address during our tenant improvements. To the right of the proposed retail location is the Prospect Avenue facing façade of the adjacent building that is shaped like an L.

A photo of the gated parking entrance to the rear of the site which shows the structures in the rear of the site is also included below.









D. Description of How the Site is Currently Being Used

The existing site consists of four single story buildings which are used for a mix of office, retail, and industrial uses including office space, contracting and restoration service providers, machine repair shop, and storage spaces. There are two buildings which have street-facing facades. The first is a 1,137 square foot building that currently is occupied by Arecon Inc., a concrete contractor that uses the building as a sales office. This is the building in which we intend to locate our retail store. The second building with a street facing façade extends back and behind the proposed cannabis retailer in an L-shape. This building has 5 suites, which are occupied by offices, a machine shop called Rise Up Industries, property owner storage space, and a kitchen and bath contractor called Now! Kitchen and Bath. There are two additional buildings behind these towards the back of the lot. These are occupied by a water damage restoration service company called Restoration Rx, a print shop called Online Impressions, and a wood design business called Interior Wood Design.

E. Description of Businesses Currently Operating on the Parcel and Adjacent to the Existing Site

The building in which we intend to operate Santee Holistics is currently occupied by Arecon Inc., a concrete contractor. This building is used as a sales office for the company. There are three additional buildings on site, which are occupied by offices, storage space, and a kitchen and bath contractor. There are two additional buildings behind these towards the back of the lot. These are occupied by a restoration company, a print shop, and a wood design business. The locations of the suites and their occupants are shown on the Site Plan.

The parcel directly to the West of the site is occupied by SoCal Paint Works and Carrillo & Sons Collision Center, an auto body paint shop and collision center, respectively. To the East is a multi-unit building, which

hosts several occupants of various business types, including an architectural metal products company, retail, contracting businesses, a sign shop, and light industrial uses. North of the property across the road on Prospect Avenue is another multi-unit building with several occupants and business types including a recycling center and a solar energy equipment supplier.

2. Proposed Site

A. Site Plan

See the below site plan, drawn to scale, of the existing 1,137 square foot building which Santee Holistics proposes to utilize for its retail storefront location. The driveways, streets, buildings, and parking areas are shown. As mentioned, the parking areas to be available for the retail storefront will be paved prior to our final inspection. Santee Holistics does not propose to add any perimeter fencing. Existing fencing is shown on the site plan and Santee Holistics does not propose to add or modify it.

B. Description of Proposed Site Improvements, Façade Rehabilitation, Parking, Landscaping, and other Exterior Improvements

With the permission and input from the site's property owner and neighboring tenants, Santee Holistics is determined to help facilitate building and site improvements at the facility as we have done at our other Southern California locations. The improvements we plan to make to the facility will integrate into the existing neighborhood while making drastic improvement to the overall aesthetic. Santee Holistics plans to improve the front-facing façade of the building by painting the building and trim, replacing the fixtures and windows, adding tasteful signage, cleaning up and restriping the parking lot ensuring ADA compliance, and planting impactful landscaping to brighten the area. The parking area immediately in front of the proposed retail store will include two regular and two ADA parking spaces. The adjacent parking area will host approximately an additional 10 parking spaces that will be paved with defined parking spaces. The property owner has generously agreed to pave and restripe the facility's parking lot to meet City requirements for a retail use property before the final inspection is completed.

As shown in the below rendering, the building will use a natural color palette with added grass and a row of small bushes and shrubs along the front. We also plan on adding a strip of green space along the sidewalk and Prospect Avenue that will ideally include an acceptable species of trees. Additional small trees will be planted near the front corner of the building and throughout the larger parcel as possible. These upgrades will add warmth and have a substantial impact on the aesthetic of the otherwise industrial area, welcoming visitors into a comfortable space.

The facility will be designed to complement the general character and aesthetics of the surrounding area. Maintaining a neat facility that positively reflects the community can help breathe new life into a neighborhood. As is consistent with the below exterior renderings, we will ensure that no cannabis, cannabis

products, or graphics depicting cannabis or cannabis products will be visible from the exterior of the licensed facility or any vehicle owned by the business.⁶⁵

C. Visual Depictions of the Proposed Exterior of the Cannabis Business



⁶⁵ Santee Code § 7.04.340(C).

3. Impact the Proposed Modifications and Utilization of the Site will have on the Surrounding Area

Santee Holistics intends to integrate into surrounding area and will only make exterior modifications and perform operations in a way that adds to the overall quality, aesthetic, and safety of the neighborhood. As existing operators in four other California locations, we are deeply familiar with integrating into our communities. The facility we intend to operate in is in a General Industrial (IG) zone. While not a typical area for a retail business with visiting customers, we believe that our operations in this neighborhood present an opportunity to bring growth to the area and attract more customers, who will then be more likely to give their business to other small businesses in the area. We understand that as a cannabis business, there are certain precautions we need to take to minimize our impact on public health, safety, welfare, environmental quality, and quality of life in our community.

Our main priority is the safety and security of our employees, visitors, and the surrounding community. A secure business begins with physical security against unauthorized entry. As shown in our Security Plan, our floor plan security markup clearly indicates several essential security features, including all secure storage and limited access areas, video surveillance cameras, keypads, door contacts, motion detectors, access readers, and panic buttons. Our Security Plan implements redundancy in security controls to ensure multiple barriers between an intruder or other threat and our employees, customers, and cannabis products. Further, our facility will be monitored by a Security Officer, who will be present on site during all operating hours.

In addition to our robust physical security measures, we will implement the exhaustive policies and procedures outlined in our Security Plan, ensuring the responsibility for the facility's safety and security is engrained in the company culture at every level. These security protocols will arguably increase the safety and security of the overall site and the other tenants and our security presence will likely deter potential security threats or incidents in the immediate vicinity.

As further described in our Neighborhood Compatibility Plan, Santee Holistics will take substantial measures to further minimize its impact on the neighborhood, ensuring there are no detectable odors, noises, misdirected lighting, loitering, or other nuisances coming from our facility. We will also take several measures to minimize our environmental impact, including robust recycling programs, employee incentives for carpooling or using public transport, and green fixtures when renovating the building. We will also continually work to keep the exterior of our facility and entire premises clean, well kept, and free of debris to ensure we maintain our welcoming premises. The improvements that we plan to make to both the exterior of the facility and to the property and larger site will overall have a positive impact to the quality of life in the surrounding area and should bring in new business via retail customers. In our discussions with the property owner, we are aware that the property owner has a grander vision to attract additional uses to the site that could be patroned by retail customers. We are pleased to hear of the vision and are happy to forge ahead with our proposed retail location. We understand that realizing some immediate improvements such as landscaping and paved parking may help make this larger goal a reality.



TOLLER CORNELL

COMMERCIAL REAL ESTATE

Letter of Intent to Lease

October 12, 2024

The parties referenced below are entering into this binding Letter of Intent to Lease:

Address: 10017 Prospect Ave, Santee, CA 92071

Tenant: TD Santee, Inc., DBA Santee Holistics.

Landlord: Cozza Properties, LLC

Use: Recreational / Medical Cannabis retail dispensary

Term: 5 years with commencing upon Tenant receiving permit approval from City of Santee. 5-year option to renew the Lease.

Rent: \$5,000 per month gross Year 1 and 3% annual increases. Rent to commence upon completion of interior and exterior TIs subject to free rent mentioned below.

Security Deposit: Equal to last month's rent (\$5,628.00).

Money Paid Upon Lease Execution: 1st month's rent plus Security Deposit.

Abated Rent: Tenant shall receive 3 months of free rent (months 2, 3, and 4) for tenant completion of trade fixtures and tenant specific interior improvements after all shared TI work is complete.

Tenant Improvements: Landlord and Tenant to split interior and exterior Tenant Improvements ("TIs") equally (i.e. paint, flooring, electrical, HVAC, etc.). The parties shall mutually agree upon the TI budget and contractors used for said work. This does not include tenant specific trade fixtures (display cases, furniture, etc.) which shall be a Tenant expense. No rent shall be due during the construction of TIs.

Signage: All signage at the property (interior and exterior) shall be at tenant's expense.

Parking: The Landlord and Tenant agree to share parking and determine parking allocations to meet the needs of both parties in good faith with the execution of the full lease agreement.

The Landlord is to deliver to the Tenant sufficient paved parking. Which requirements are set forth by the city/department of building and safety in order to occupy the subject property for "retail-use" for the purposes of retail cannabis sales. Paved parking is to be delivered before TI and final inspection completion.

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Lease Guarantor: Torrey Holistics, Inc.

Brokerage: The parties acknowledge that Toller Cornell Commercial Real Estate ('Agent') shall act as dual agent, and no other broker is involved in the transaction. Landlord shall pay a brokerage fee equal to 4% based on the Base Rent over the initial lease term, and a fee equal to 3% based on the initial option period only. No brokerage fee shall be paid on any term beyond the initial option term (initial 10 years of tenancy). The fee based on the initial term shall be paid 50% upon Tenant paying Landlord 1st months' rent plus Security Deposit, and 50% upon the Lease Commencement Date. The fee based on the initial option period shall be paid upon Tenant exercising said option.

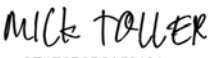
Landlord and Tenant acknowledge that this Letter of Intent is binding.

The parties agree to further execute a more thorough AIR CRE STANDARD INDUSTRIAL/COMMERCIAL MULTI-TENANT LEASE - GROSS lease contract which shall include additional terms and conditions, that shall not substantially change, or modify, the terms herein.

To confirm the details of this letter of intent, the following individuals have signed in agreement:

LANDLORD:

Cozza Properties, LLC


DocuSigned by:

CE1E8B2D8A50461...

Date 10/24/2024

Mick Toller, Authorized Agent of Landlord

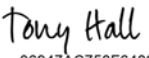
TENANT:

TD Santee, Inc., DBA Santee Holistics

DocuSigned by:

FE313B9403C04A0...

Date 10/23/2024

Douglas Gans


DocuSigned by:

06947AC758F6489...

Date 10/24/2024

Tony Hall


GUARANTOR:

Torrey Holistics, Inc.

DocuSigned by:

FE313D9403C84A0...

Date 10/23/2024

Douglas Gans

DocuSigned by:

06947AC758F6489...

Date 10/24/2024

Tony Hall

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: 10/21, 2024

I hereby agree to the following terms:

1. I herewith pay the sum of \$25,711 for the application fee for the review and processing of an application for commercial cannabis business permit.
2. The entire fee amount paid to the City of Santee ("City") is non-refundable. There is no guarantee - expressed or implied - that by submitting the application or paying the application fee that I will obtain a permit to operate a commercial cannabis business.
3. All costs incurred by the City in processing said application, including staff time, attorney's fees, Consultant's fees and overhead, shall be funded from the fees paid. This is a personal obligation and shall not be affected by sale or transfer of the property subject to the application, changes in business organization, or any other reason.
4. I acknowledge and agree to the defense, waiver, and indemnification obligations stated in the attached "Agreement on Limitations of City's Liability, and Certifications, Assurances Warranties and Indemnification to City", incorporated herein by reference.
5. The City will promptly notify the Applicant(s) and Owner(s) of any claim, action, or proceeding that is or may be subject to this Agreement on Limitations of City's Liability, and Certifications, Assurances Warranties, and Indemnification to City. The City may, within its unlimited and sole discretion, participate in the defense of any such claim, action, or proceeding.
6. I will fund a deposit account ("Fund") to reimburse the City's cost, including attorney's fees, to defend any claim, action, or proceeding that is or may be subject to the Agreement on Limitations of City's Liability, and Certifications, Assurances Warranties, and Indemnification to City. In the event that any such claim, action, or proceeding is filed against the City, I shall within 30 days of the filing, deposit an initial sum of \$20,000 to the Fund to reimburse the appropriate portion of the City defense costs, as determined by the City in its sole discretion. The Fund shall contain an amount necessary to cover three months' worth of budgeted expenditures by the City relating to the City's defense of the claim, action, or proceeding, including all time to appeal, or as long as expenditures made by the City relating to its defense remain unreimbursed, whichever is later. Once all remaining

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):

DOUG GAN
Printed Name

Town Hall
Printed Name

Printed Name

Printed Name

Printed Name

[Signature]
Signature

[Signature]
Signature

Signature

Signature

Signature

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.

[Signature]
Applicant Signature

Tony Hall - President
Printed Name and Title

TD Santee
Name of Business Entity

10017 Prospect Ave, Santee 92071
Address of Permitted Location

10/23/24
Date

[Signature]
Applicant Signature

Doug Gans
Printed Name and Title

TD Santee
Name of Business Entity

10017 Prospect Ave, Santee 92071
Address of Permitted Location

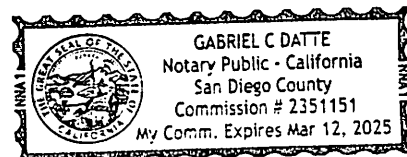
10/23/24
Date

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

State of California
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 23 day of October, 2024, by Douglas A Gans & Tony E. Hall, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature Gabriel C Datte (Seal)



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

GOVERNMENT CODE § 8202

A circular notary seal for Gabriel C. Datte, a Notary Public in California, San Diego County. The seal features the text "GABRIEL C DATTE", "Notary Public - California", "San Diego County", "Commission # 2351151", and "My Comm. Expires Mar 12, 2025". The seal also includes the "GREAT SEAL OF THE STATE OF CALIFORNIA" and a central emblem depicting a landscape with a ship and mountains.

OPTIONAL

©2016 National Notary Association • www.NationalNotary.org • 1-800-US NOTARY (1-800-876-6827) Item #5910



City of Santee

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

10017 PROSPECT AVE. Santee CA 92071
Street City State Zip
384-180-01-00
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 TD Santee, Inc. DBA Santee Holistics
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):

MICHAEL TOLLER - AUTHORIZED AGENT
PRINTED NAME OF PROPERTY OWNER(S)

[Signature]
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 ____ day of _____, 20____, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me _____.

***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.

See attached Jurat

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

} S.S.

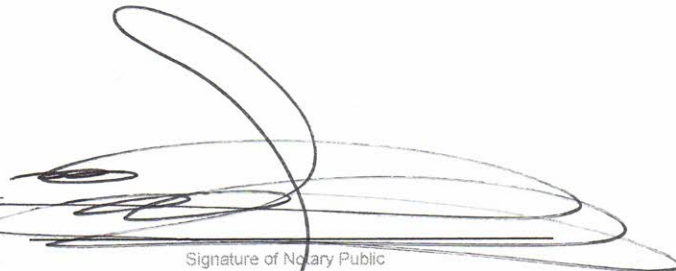
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 24 day of October,

2024, by Michael Toller

and _____, proved to me on the basis of

satisfactory evidence to be the person(s) who appeared before me.


Signature of Notary Public



Seal

OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this jurat to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Jurat Certificate is attached to a document titled/for the purpose of Property owner consent/

Landlord Affidavit

containing 1 pages, and dated 10 / 24 /2024



Tobin Creighton Agency
333 F Street Suite B, Chula Vista, CA 91910
Phone: (619) 600-3185 • Fax: (800) 654-5944
License #0C28884

TD Santee. Inc
10017 Prospect Avenue, Santee CA 92071

Commitment letter

My agency has insured multiple entities including TD Enterprise, Torrey Holistics, Inc, and TD Chula Vista 1, Inc. All of these entities are in the retail and distribution of the cannabis industry. TD Santee Inc is insurable for all types of insurance at coverage maximums required by the State of California and local law. TD Santee, Inc., located at 10017 Prospect Avenue, Santee CA 92071, is insurable for all types of insurance at coverage minimums required by state and local law. They will obtain all the necessary coverages as a permitted business in San Diego County and the State of California. Currently this includes the following coverages:

Workers compensation

General liability

2,000,000 per occurrence 4 million aggregate for both comprehensive general liability and distribution coverage

Products liability

Personal Injury

Property

Hired auto coverage

Business Auto

Our agency will secure all necessary coverage as required for all types of insurance at coverage maximums required by the State of California and local law.

Sincerely Yours,

Tobin Creighton, CPCU
CA Producer License #0C28884

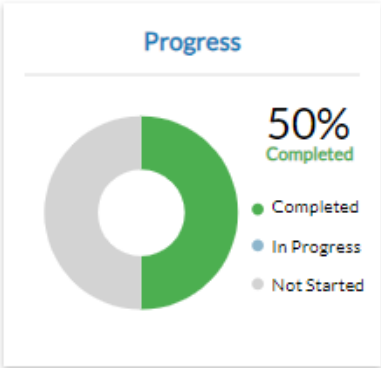


Plan Number: ZVL-2024-0011

[Plan Details](#) | [Tab Elements](#) | [Main Menu](#)

Type:	Cannabis Zoning Verification Letter	Status:	In Review	Project Name:	
IVR Number:	2892	Applied Date:	09/16/2024	Expiration Date:	
District:	_Santee	Assigned To:	Lindebrekke, Rachael	Completion Date:	
Description:					

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



Fees

\$0.00

[View Details](#)

Workflow

Available Actions

No Actions

Plan Number: ZVL-2024-0011

[Plan Details](#) | [Tab Elements](#) | [Main Menu](#)

Type:

Cannabis Zoning Verification Letter

Status:

In Review

Project Name:

IVR Number:

2892

Applied Date:

09/16/2024

Expiration Date:

District:

_Santee

Assigned To:

Lindebrekke, Rachael

Completion Date:


Description:

- SummaryLocationsFeesReviews**Attachments**ContactsSub-Records

[Attachments](#) | [Next Tab](#) | [Plan Details](#) | [Main Menu](#)

Attachments

No records to display.




Evidence of Legal Parcel

Evidence of Legal Parcel-TD-Santee-Zoning verification

Version: 1

Reviewed



Cannabis Zoning Verification Letter Request Form

Cannabis Zoning Verification Letter Request Form-TD-

Version: 1

Reviewed

Type: Cannabis Zoning Verification Letter

Status: In Review

Project Name:

IVR Number: 2892

Applied Date: 09/16/2024

Expiration Date:

District: _Santee

Assigned To: Lindebrekke, Rachael

Completion Date:

Description:

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

Fee Summary

Total Fees:	\$267.00	Paid Fees:	\$267.00	Unpaid Fees:	\$0.00
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Remaining Fees

Sort Fee

Fee	Invoice	Computed	Amount Due
No records to display.			

Paid Fees

Sort Fee

Fee	Invoice	Computed
Cannabis Zoning Verification Letter	INV-00006299	\$267.00



noreply@mygovpay.com

Payment Confirmation - Santee, CA

To: Ruthie Edelson



Santee, CA

Payment Confirmation

Payment Date		Monday, September 16, 2024		
Order Number		9347		
Line Items				
Invoice #	Item Description	Quantity	Unit Price	Total Price
INV-00006299	ZVL-2024-0011	1	\$267.00	\$267.00
Item Total		\$267.00		
Convenience Fee		\$8.01		
Order Total		\$275.01		

Thank you for your payment,

Santee, CA



ZONING VERIFICATION LETTER REQUEST FORM (CANNABIS BUSINESS PERMIT)

Date: 9/13/24

Business Name: TD Santee

Name of Applicant: Doug Gans

Proposed Location:

Address: 10017 Prospect Ave, Santee, CA 92071

Accessor Parcel Number (APN): 384-180-01-00

Evidence of Legal Parcel : _____
(Attach As Separate Document)

Proposed Land Use: ☒ Retail

☐ Microbusiness with Retail

Zoning Verification Request: For Retail Cannabis Dispensary

Note: The issuance of a ZVL does not constitute written evidence of permission given by the City or any of its officials to operate a cannabis business, nor does it establish a "permit" within the meaning of the Permit Streamlining Act, nor does it create an entitlement under the Zoning or Building Code. Commercial Cannabis Retail Businesses (CCBs) are required to comply with all applicable development standards outlined in Santee Municipal Code. A regulatory permit for a CCB does not constitute a permit that runs with the land once a cannabis business is established.

City of Santee | Planning & Building Dept.
10601 Magnolia Avenue | Santee, CA 92071-1222
(619) 258-4100

9/3/2019

RECORDING REQUESTED BY
GRANTEE

AND WHEN RECORDED MAIL TO

Name
Address
City & State
EDWARD C. PERSON, M.D.
3511 ELLIOTT STREET
SAN DIEGO, CALIFORNIA 92106

FILE/PAGE NO. 245423
RECORDED IN PART OF
TITLE INSURANCE & TRUST CO.
OCT 26 9:00AM '71
OFFICIAL RECORDERS
SAN DIEGO COUNTY, CALIF.
HARVEY P. BLOOM
RECORDERS

SPACE ABOVE THIS LINE FOR RECORDER'S USE
DOCUMENTARY TRANSFER TAX \$ 25.85
☐ COMPUTED ON FULL VALUE OF PROPERTY CONVEYED, OR
☒ COMPUTED ON FULL VALUE LESS FILING & RECORDING
FEE
BRANCHES REMAINING THROUGHOUT TERM OF SALE
Title Insurance and Trust Company
AFFIX I.R.S. # IN THIS SPACE *J. Hanley*
unincorporated
TRANSFER TAX PAID
HARVEY P. BLOOM, RECORDER

Corporation Grant Deed
THIS FORM FURNISHED BY TITLE INSURANCE AND TRUST COMPANY

TO 404 C

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
PACIFIC STATES SALES & SERVICE CORPORATION,
a corporation organized under the laws of the state of California
hereby GRANTS to EDWARD C. PERSON and MILDRED S. PERSON, husband and
wife as community property
the following described real property in the
County of San Diego, State of California:
The North 140.00 feet of the West 94.16 feet of Lot 33,
of STEVENS and HARTLEY'S FREE WATER TRACT, according to
Map thereof No. 1231, filed in the office of the County
Recorder of San Diego, County.

In Witness Whereof, said corporation has caused its corporate name and seal to be affixed hereto and this
instrument to be executed by its Vice President and Secretary
thereunto duly authorized.

Dated: _____

STATE OF CALIFORNIA } SS.
COUNTY OF SAN DIEGO }
On September 3, 1971 before me, the under-
signed, a Notary Public in and for said County and State, personally
appeared H. R. Irwin, M.D., known
to me to be the Vice President, and CLARA E.
BOARD knows to me to be
Secretary of the Corporation that executed the
within instrument, known to me to be the persons who executed the
within instrument on behalf of the Corporation therein named, and
acknowledged to me that such Corporation executed the within instru-
ment pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.
(Seal)
Signature Peggy Trimble
Name (Typed or Printed)
Notary Public in and for said County and State
My Commission Expires June 14, 1975

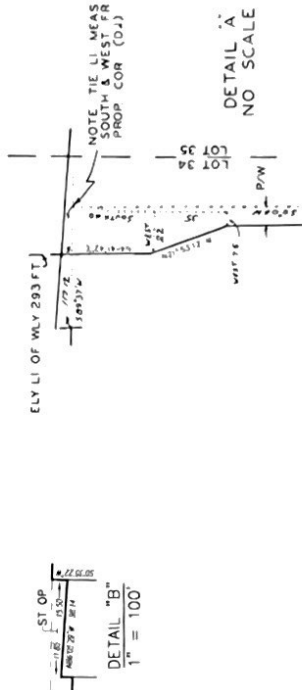
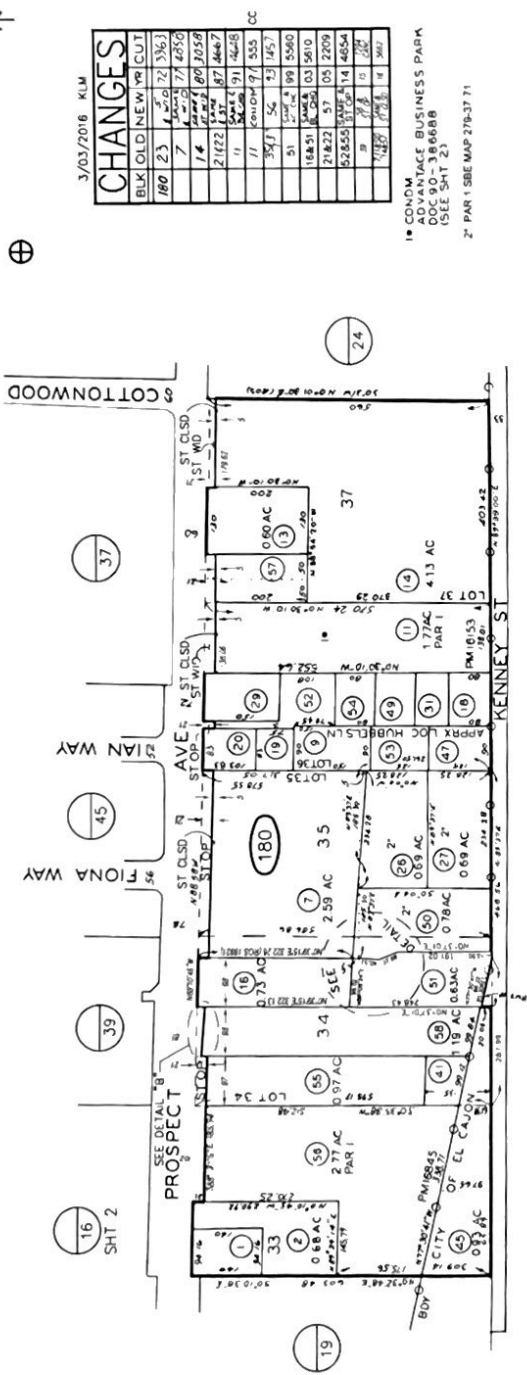
PACIFIC STATES SALES &
SERVICE CORPORATION
By H. R. Irwin, M.D., Vice President
By CLARA E. BOARD, Secretary

OFFICIAL Order No.
PEGGY TRIMBLE
NOTARY PUBLIC - CALIFORNIA
EASTROW OF Loan No. 5
SAN DIEGO COUNTY
My Commission Expires June 14, 1975

No. 245423

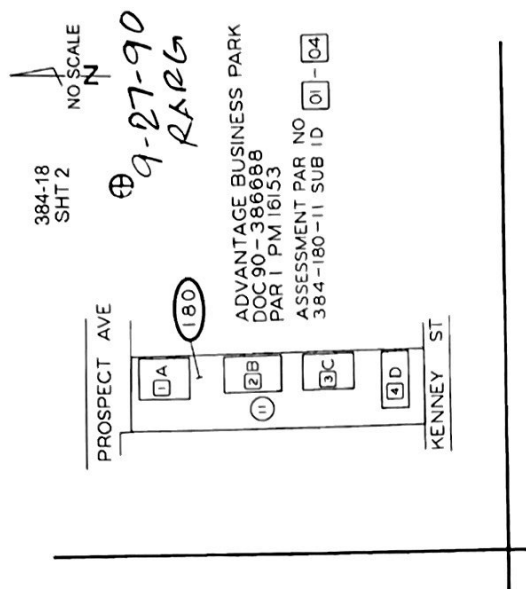
16

384-18
SHT 1 OF 2
1"=200'



THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS
ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCELS
MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.

17-19
27
SAN DIEGO COUNTY
ASSESSOR'S MAP
BOOK 384 PAGE 18 SHT 1 OF 2



CONDOMINIUMS
MAP 1231- STEVENS & HARTLEY'S FREE WATER TRACT

NOTE EACH SUB ID INCLUDES AN
UND INT IN COMMON AREA

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS
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MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.

16 SHT 2
384-18