



COMMERCIAL CANNABIS
BUSINESS PERMIT
APPLICATION
(Retail Applications)

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

APPLICANT (ENTITY) INFORMATION

Applicant (Entity) Name: March and Ash Santee, Inc. DBA: March and Ash

Physical Address: 8665 Argent Street Suite B1 Santee CA 92071
Street City State Zip

Primary Contact: Blake Marchand Title: CEO

Mailing Address: 2835 Camino Del Rio S. #220 San Diego CA 92108
Street City State Zip

Phone Number: (619) 890-4588 Email: blake@marchandash.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: 8665 Argent St. LLC (Members: James Renner, Christene Campbell Renner)

Proposed Location Address: 8665 Argent Street Suite B1 Santee CA 92071
Street City State Zip

Property Owner Phone Number: (619) 518-5444 Email: JRenner@ip-cre.com

Zoning Clearance Letter : ☒ Yes ☐ No

Assessor's Parcel Number (APN): 3843112000

APPLICATION SUBMITTAL CHECKLIST

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

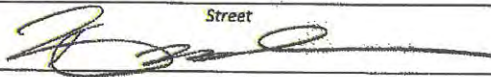


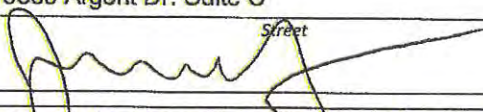
- ✓ A complete and signed Commercial Cannabis Business Permit Application form and Evaluation Criteria. The evaluation criteria response is limited to 125 pages.
- ✓ A signed Financial Responsibility, Indemnity and Consent to Inspection Agreement form.
- ✓ A signed Agreement to Limitations of City Liability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

OWNER INFORMATION

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

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

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

I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.			
Ownership %	10.85%	Background information is included as required?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Owner Name:	Blake Marchand	Title:	CEO
Address:	2835 Camino Del Rio S. #220	San Diego	CA 92108
	Street	City	State Zip
Signature:		Date:	10-23-24
I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.			
Ownership %	2.89%	Background information is included as required?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Owner Name:	Breton Peace	Title:	General Counsel
Address:	2835 Camino Del Rio S. #220	San Diego	CA 92108
	Street	City	State Zip
Signature:		Date:	10/23/24
I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.			
Ownership %	10.85%	Background information is included as required?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Owner Name:	Jonathan Saco	Title:	COO
Address:	2835 Camino Del Rio S. #220	San Diego	CA 92108
	Street	City	State Zip
Signature:		Date:	10/21/24
I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.			
Ownership %	12%	Background information is included as required?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Owner Name:	James Renner	Title:	Owner
Address:	8665 Argent Dr. Suite C	Santee	CA 92071
	Street	City	State Zip
Signature:		Date:	10-21-24

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

The remaining 63.41% of ownership is held by 187 GWH, Inc. shareholders.

SUPPORTING INFORMATION

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

March and Ash is the fictitious business name of all 10 retail locations the applicant operates.

- | | |
|---|---|
| 1. 2835 Camino Del Rio S. San Diego, CA 92108 | 6. 885 E H St., Chula Vista, CA 91910 |
| 2. 2433 Marshall Ave., Imperial, CA 92251 | 7. 646 H St, Chula Vista, CA 91910 |
| 3. 2465 Dogwood Way, Vista, CA 92081 | 8. 740 Palm Ave, Imperial Beach, CA 91932 |
| 4. 2281 Fairmount Ave, San Diego, CA 92105 | 9. 13510 Sabre Springs Pkwy, San Diego, CA 92128 |
| 5. 684 Telegraph Canyon Rd, Chula Vista, CA 91910 | 10. 78010 Country Club Dr., Palm Desert, CA 92211 |

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.

Blake Marchand

Name

CEO

Title

Signature

10/23/24

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.

Ownership Information

The ownership of the license is distributed as follows:

- Four listed owners collectively hold 36.59% of the total ownership.
- The remaining 63.41% is owned by a group of 182 individual shareholders, none of which has an aggregate ownership interest of 10% or more in the commercial cannabis business. These 182 individual shareholders hold their ownership interests through Groundwork Holdings, Inc., the parent company of March and Ash, Inc. That ownership table is available on request.

<u>Owner</u>	<u>Percentage Ownership</u>
<u>James Renner</u>	<u>12.00%</u>
<u>Blake Marchand</u>	<u>10.85%</u>
<u>Jonathan Saco</u>	<u>10.85%</u>
<u>Breton Peace</u>	<u>2.89%</u>
<u>182 Individual Shareholders</u>	<u>63.41%</u>
<u>Total Ownership</u>	<u>100%</u>

This division accounts for 100 percent of the ownership.



Application for Cannabis Retail Permit in the City of Santee, California

Submitted for consideration by March and Ash Santee, Inc.

(DBA March and Ash)

Amended on January 20, 2025

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Section A: Business Plan

Our Company

March and Ash, Inc. (M&A) builds, owns, and operates community-friendly cannabis retail outlets in Southern California under the “March and Ash” brand.¹

M&A was founded in San Diego, California, in 2017 by three friends who were born and raised in East County and attended Valhalla High School in El Cajon. The first March and Ash location opened in Mission Valley in 2018. As an early mover in the legal cannabis industry, we have developed a track record for delivering first-class cannabis retail outlets that exceed community expectations. For us, this project is our chance to bring our business “home” and invest where we live. We are committed to “Do More, Due East.”



Figure 1. Interior Mission Valley Location.

We understand that the City of Santee’s decision to permit and regulate commercial cannabis activities is a profound change for the community. There will be lessons learned along the way. M&A has proven itself to be an experienced, local, and trusted partner for being honest and constructive in tackling issues as they arise.

Since 2017, we have successfully financed, built, and operated ten (10) cannabis retail outlets in San Diego, Imperial, and Riverside Counties. Each store is designed to fit its unique community while meeting our award-winning standards for quality in design, construction, and operation.

	<p>March and Ash Wins Four San Diego Reader's Best of 2023 Awards</p> <p>In the heart of San Diego's thriving cannabis community, we are honored to be recognized in four distinct categories in the popular San Diego Reader's Best of 2023 Awards.</p>
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¹ March and Ash, Inc. is the majority and controlling owner of March and Ash Santee, Inc.

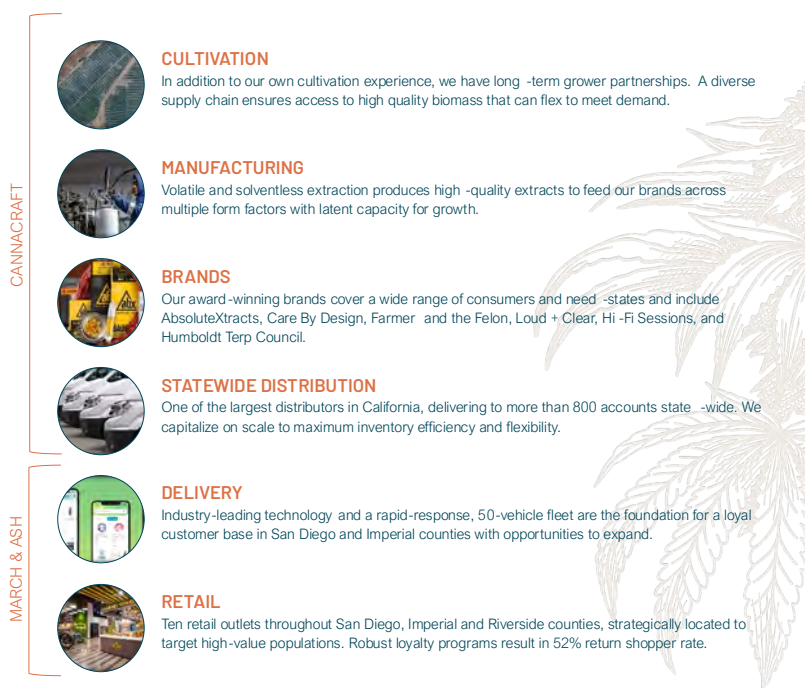
We have never “sold” or “flipped” a cannabis permit, as many retail applicants do. Instead, we build for the long term. We continue to own and operate in every jurisdiction that has trusted us with a cannabis permit.

We invite the City of Santee to visit any of our stores and speak with the community leaders in each municipality we operate. We are confident that they will confirm that M&A consistently does what we say we will do and that we are a trusted and steady partner for communities in this rapidly evolving industry.

M&A is an affiliate of CannaCraft, which manufactures and distributes some of California’s most recognizable and award-winning cannabis brands out of Santa Rosa, California. M&A and CannaCraft are both wholly owned by Groundwork Holdings, Inc. (“GWH”).

VERTICAL INTEGRATION

AWARD -WINNING PRODUCTS
TRUSTED BRANDS
FIRST-IN-CLASS RETAIL PLATFORM



GWH is one of the few remaining California companies with compliant, reliable, and first-in-class operations across all parts of the legal cannabis supply chain.² While the cannabis industry faces challenging economic headwinds, we can always ensure retail operations in Santee without total reliance on others.

² We are among even fewer remaining California cannabis manufacturers that have not entered the unregulated “intoxicating hemp” market flooding online platforms including social media and brick and mortar convenience stores with highly intoxicating and unregulated “cannabis” products, including in Santee and other parts of East County. M&A’s management team and owners have worked alongside community advocates including youth prevention, policymakers, and local and State law enforcement to draw attention to and address this public health crisis.

Our Vision for Santee

Our plan for March and Ash Santee, Inc. is to bring M&A's proven model for designing, financing, building, and operating award-winning cannabis retail outlets to East County.

Our vision for this project is clearer and more intense than any other project we have pursued because of our connections to the community.³

The March and Ash brand has a significant following among adult cannabis consumers in San Diego County. That brand recognition and trust extends to existing customers who are residents of Santee.

This strong following has been earned through the consistency of customer experience in all our stores, which is grounded in a beautiful retail environment, safety-oriented customer education, and a non-aggressive sales approach. Robust customer data and analysis underlie our confidence in the match between the Santee market and the March and Ash brand.



Figure 2. Interior M&A Chula Vista - H Street.

Santee is a great community for our high-end cannabis experience focused on our core customer demographic, which is 30 and over. When assessing new locations, among other considerations, we consider existing store-markets together with the new market to ensure the locations will complement one another and not cannibalize market share. Santee fits within and complements our existing March and Ash storefront and delivery operations. The closest existing March and Ash retail outlets are approximately 15 miles away in Mission Valley and 18 miles away in Sabre Springs. Coupled with access considerations, Santee presents a new hub to service East County from both a storefront and delivery operation. For the City of Santee, this project would be the only March and Ash store in East County.

We will work hard to earn that respect from the community stakeholders in Santee. Many of whom we've already worked with within the County can vouch for the consistency and longevity of our commitment to doing things the right way.

³ For example, one of our founders Breton Peace lives in Jamul, CA with his wife and four kids. He sits on the board of local youth sports organizations and coaches both little league baseball and pop warner football in East County.

Project Description

We propose developing, building, and operating a 3,118-square-foot commercial cannabis retail store (with delivery) in a vacant retail suite at 8665 Argent St. in the City of Santee.

The site is adjacent to the Sunny Grove Brewing Company in an area already designated for adult activities.

As a vertically integrated cannabis company, we have centralized systems and functions that allow us to provide the benefits of scale to each of our locations during all phases of a project, from design to operation. We will leverage our deep experience and these existing systems and functions to expedite the time it will take to open our doors to customers in Santee.



Figure 3. Rendering of the exterior of M&A Santee

1. Finances

The total estimated development cost for this project is approximately \$2,227,000. This figure includes a construction budget of \$1,055,000 and a startup budget of \$1,172,100 for the initial three months of operations.

Our budget is conservative. It includes set-asides for unanticipated expenses and assumes no incoming net revenue during the first quarter. As described above, any overruns or emergent costs will be covered through these contingency budgets or additional funding from M&A.



Figure 4. Interior M&A Vista

A. Proof of Capitalization

M&A's founders and a small group of local investors funded our first store through personal finances. The construction and startup of subsequent retail projects were funded from M&A's internal liquidity from operations and investor construction loans. M&A has consistently re-invested our profits to grow the business, advancing funds needed to construct and launch new locations.

We plan to take the same successful approach with this project and fund project costs through a combination of net cash flow from operations and an established loan agreement with up to \$1.5 million earmarked for this project."

M&A will advance funds from its internal liquidity and this working capital facility to March and Ash Santee, Inc. as a shareholder capital loan at an interest rate of 8 percent (simple-annual). These funds will be advanced as needed to cover project costs. After all store costs and expenses are satisfied, this on-loan from M&A will be repaid from net cash.

We have submitted the bank statement and proof of capitalization as separate documents, as required by the City of Santee's application process. Our construction and start-up operating budget is approximately \$2.2 million, as summarized below.

Expense Categories	Estimated Cost
Construction & Equipment Budget	\$1,055,000
Operating Expenses (3 Months)	\$1,172,100
TOTAL (estimate)	\$2,227,100

Detail of Construction Budget

Our construction budget, shown in detail below, includes all construction costs as well as installed security equipment, cabinetry, shelving, and equipment like refrigerators and freezers.

Construction Expenses	Estimated Cost
Temporary Toilet	\$2,000
Site Clean up	\$4,000
Dumpsters	\$4,500
Air Balance - HVAC	\$1,200
Demolition	\$6,000
Concrete Saw Cut and Pour Back for Electrical Conduit	\$7,500
Drywall / Metal Stud	\$35,000
Backing and Blocking	\$1,000
Electrical	\$175,000
Plumbing	\$7,500
Low Voltage: Data, Audio, Security Alarms, Cameras	\$94,212
Fire Sprinklers	\$8,500
HVAC - Duct Work only	\$35,000
Insulation	\$2,110
Doors & Frames	\$13,326
Access Panel	\$500
Storefront Reception/Replacement Glass	\$64,000
Floor Grind, Polish, Stenciling, & Finish	\$45,000
Window Film	\$7,500
Bathroom Accessories and FRP	\$3,500
Interior Paint	\$20,000
Rubber Base	\$2,000
Millwork/Back of House Shelves/Breakroom	\$320,000
Signs Interior / Exterior	\$45,000
Countertops/Tile Walls	\$28,645
Wall Coverings	\$15,000
Design Finishes Unknowns	\$20,000
Fire Extinguishers QTY 2	\$600

Knox Box	\$625
Stripping/Parking	\$1,000
Landscaping	\$6,000
Rental Equipment/Lifts/Tools	\$2,500
Shop Single Refrigerators & Single Refrigerator	\$5,000
Shop Double Door Freezer	\$7,800
Product Storage Refrigerator	\$3,000
Break Room Refrigerator	\$2,500
Water Dispenser Breakroom	\$2,500
Media Wall	\$10,000
Reception Furniture	\$5,000
Centrex - Low Voltage	\$20,000
Laborer	\$5,000
Subtotal	\$1,039,518
Insurance (1.5%)	\$15,593
Total (estimate)	\$1,055,110

Detail of Monthly Operating Budget

Our monthly operating budget includes employee wages and compensation, store maintenance, property lease payments, security equipment and staff, city and state fees, insurance, utility costs, product purchases, administrative overhead, and other contingencies.

Monthly Operating Expenses	Estimated Cost
In-Store Wages and Salaries (non-Security)	\$70,000
Workman's Comp Insurance	\$1,500
Community Investments (Events & Contributions)	\$4,000
Rent + Other Property Expenses	\$18,000
Insurance	\$4,900
Utilities	\$2,200
Maintenance & Landscaping	\$1,500
Security Guards	\$10,800
Accounting & Other Professional Services	\$1,500
Banking & Other Fees	\$2,000

Regulatory and Permitting Fees	\$8,300
Office Supplies	\$1,000
Management Overhead	\$15,000
Product Purchases	\$250,000
TOTAL (estimate)	\$390,700

B. 3-Year Pro Forma

Confidence in Our Projections and Execution

We have a firm grasp on our construction, startup, and operating costs, as well as the expected ramp-up to breaking even.

Based on our experience successfully operating cannabis retail outlets throughout San Diego County in multiple communities with materially different demographic and economic makeups we have a realistic view of the store's likely near and long-term financial performance. These are reflected in the 3-Year Pro Forma below, which is in the same format we've utilized for all our existing successful locations.

We know how to build. Matthew Rookus, who is an employee of March and Ash, holds a general contractor's license and directly manages day-to-day construction activities. Within our ownership team we have real-world experience building cannabis retail outlets as well as other office and residential construction projects and infrastructure throughout San Diego County including Santee.

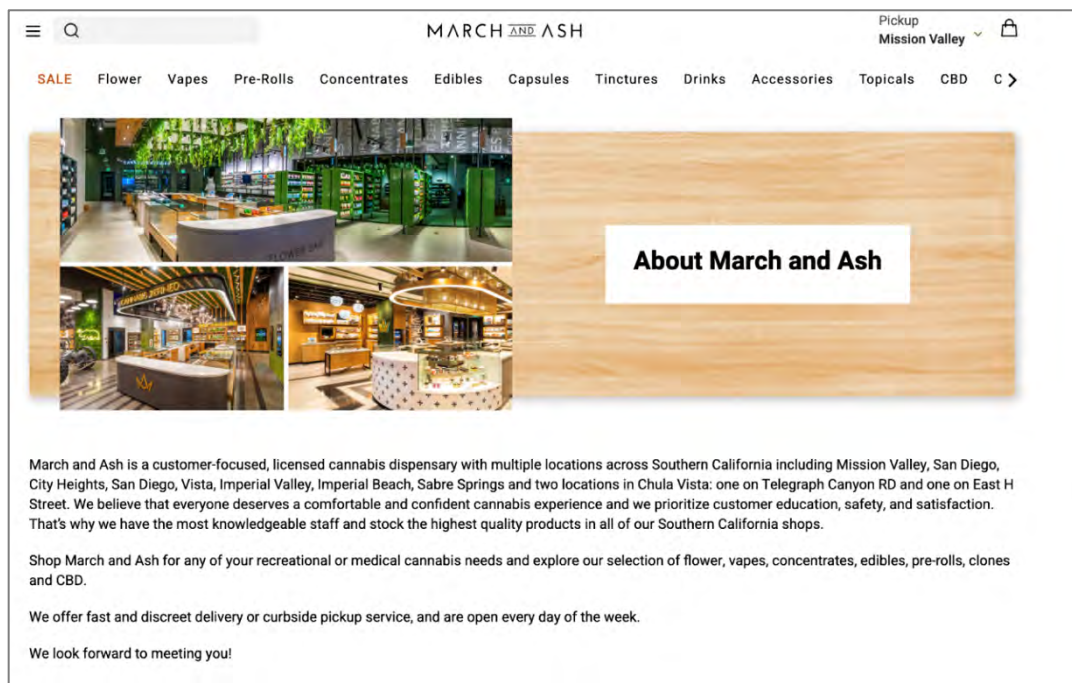


Figure 5. March and Ash E-Commerce Site Supports Online and Delivery Sales

We also understand our labor needs and costs. We employ more than 400 workers in San Diego County, most of whom are represented by the United Food and Commercial Workers Union (UFCW) Local 135. Our agreement with the UFCW provides stability and certainty to our labor profile while ensuring our employees participate in the growth of our company.

We bring a foundation of scalable systems in which we've invested substantial resources over the past 5+ years. This includes our award-winning e-commerce platform at marchandash.com, payroll and accounting systems, delivery management, and marketing streams that are "plug and play" for this new location in Santee.

Understanding of an Evolving Industry

The California cannabis industry has undergone a significant downturn over the past two years as the State, local communities, and industry grapple with general economic headwinds as well as the proliferation of intoxicating hemp products in our communities, providing direct competition to regulated cannabis.⁴

While many multi-state companies divested from California, M&A has survived because of our measured approach to capitalization, commitment to "slow and steady" growth instead of chasing licenses, and refusal to deviate from our high quality of construction and customer service.

The combination of our resources and experience should provide the City of Santee with confidence in our project execution and ability to deliver the financial results reflected in this 3-year Pro Forma.

The eight percent (8%) gross receipts community benefit fee we have proposed ensures the City and community earn a significant, protected return that is immediate, material, and grows as the location establishes itself.

⁴ See <https://www.sfgate.com/cannabis/article/california-cannabis-economy-crash-19492956.php>

3-Year Pro Forma

Year					1	2	3	
Estimated Sales		EscFact						
Average Daily Sales Volume (#)	500	115%			500	575	661.25	
Average Sale Amount	\$40.00	105%			\$40.00	\$42.00	\$44.10	
				Total Daily Sales	\$20,000.00	\$24,150.00	\$29,161.13	
Annual Total Sales				Total Annual Sales	\$7,300,000.00	\$8,814,750.00	\$10,643,810.63	
Estimate Profit and Loss					Annual	Annual	Annual	Total (3Y)
Total Annual Sales	12				\$7,300,000	\$8,814,750	\$10,643,811	\$26,758,561
Cost of Goods Sold	50.00%				\$3,650,000	\$4,407,375	\$5,321,905	\$13,379,280
Gross Revenue					\$3,650,000	\$4,407,375	\$5,321,905	\$13,379,280
Sales Tax (City, County, State Sales)	7.75%				\$565,750	\$683,143	\$824,895	\$2,073,788
Projected Community Benefit Fee	8.00%				<u>\$584,000</u>	<u>\$705,180</u>	<u>\$851,505</u>	<u>\$2,140,685</u>
Gross Profit					\$3,066,000	\$3,702,195	\$4,470,400	\$11,238,595
Expense Inflation Factor	2.00%							
Category		Monthly Avg	EscFact		Y1	Y2	Y3	Total (3Y)
In-Store Wages and Salaries (Non Security)	12	\$70,000	2.00%		\$840,000	\$856,800	\$873,936	\$2,570,736
Workman's Comp	12	\$1,400	2.00%		\$16,800	\$17,136	\$17,479	\$51,415
Marketing	12	\$10,500	2.00%		\$126,000	\$128,520	\$131,090	\$385,610
Community Investments (Events + Contributions)	12	\$4,000	15.00%		\$48,000	\$55,200	\$63,480	\$166,680
Rent + NNN	12	\$18,000	3.00%		\$216,000	\$222,480	\$229,154	\$667,634
Amortization of Construction Cost	12	\$29,306	0.00%		\$351,672	\$351,672	\$351,672	\$1,055,016
Insurance	12	\$4,900	2.00%		\$58,800	\$59,976	\$61,176	\$179,952
Utilities	12	\$2,200	2.00%		\$26,400	\$26,928	\$27,467	\$80,795
Maintenance & Landscaping	12	\$1,500	2.00%		\$18,000	\$18,360	\$18,727	\$55,087
Security Guards	12	\$10,800	2.00%		\$129,600	\$132,192	\$134,836	\$396,628
Accounting & Other Professional Services	12	\$1,500	2.00%		\$18,000	\$18,360	\$18,727	\$55,087
Banking and Other Fees	12	\$2,000	2.00%		\$24,000	\$24,480	\$24,970	\$73,450
Regulatory & Permitting Fees (including DCC)	12	\$8,300	2.00%		\$99,600	\$101,592	\$103,624	\$304,816
Office Supplies	12	\$1,000	2.00%		\$12,000	\$12,240	\$12,485	\$36,725
Management Overhead	12	\$15,000	2.00%		\$180,000	\$183,600	\$187,272	\$550,872
Misc.	12	\$3,000	2.00%		\$36,000	\$36,720	\$37,454	\$110,174
Total Expense		\$183,406			\$2,200,872	\$2,246,256	\$2,293,548	\$6,740,676
EBITDA					\$865,128	\$1,455,939	\$2,176,852	\$4,497,919

C. Schedule for Beginning Operations

M&A only builds first-class facilities that improve the neighborhoods we serve.

Design

Our facilities have been recognized locally and nationally for their interior and exterior design and construction quality.⁵ Functionally, we understand state and local design and building requirements and factor those decision points and costs into budgeting and scheduling.

The M&A brand is committed to quality in everything we do. Not one of our locations is inferior to any other. While each store reflects the M&A brand it is also designed explicitly for its immediate community.

For example, our location in Imperial Beach is 100 percent M&A while also reflecting the personality of the beachside community.

Travel East on I-8 to the Imperial Valley, and you can enter our City of Imperial location – dollar for dollar every bit as beautiful as Mission Valley or Imperial Beach, 100 percent M&A, while also 100 percent Imperial Valley. This is achieved by incorporating into the store elements of the area’s agricultural roots.

Recently, our stores were featured in *MG Magazine*:

“The Imperial Beach location is a particularly notable representation of March and Ash’s community-involved approach... Eager to exceed expectations, they transformed a dilapidated used car lot into one of the most striking buildings in the city.”

-- MG Magazine, March and Ash Believes in Bespoke, March 13, 2024.⁶



Figure 6. M&A's Imperial Beach Location Highlights Ocean Themes.



Figure 7. M&A's Imperial Valley Location Highlights Farming.

⁵ See <https://mgmagazine.com/business/retail-merchandise/march-and-ash-uptown-in-the-country/>

⁶ <https://mgmagazine.com/business/retail-merchandise/march-and-ash-believes-in-bespoke/>

We will bring this commitment to quality, thoughtfulness of design, and artistry to our proposed store in Santee. In our design process we typically engage with community members to solicit design feedback. For Santee, our interior design will likely incorporate elements of the San Diego River and Santee River Park, including the hiking and biking trails that make Santee a special place to live and visit.

Construction

M&A has successfully managed the construction of each store utilizing local contractors on our projects. This oversight brings the necessary consistency and know-how to the construction process for our highly regulated facilities.

Our experience includes complete ground-up new-build projects with significant public infrastructure improvements to straight-forward tenant improvements.

We are particularly proud of our location in City Heights, which has enhanced the surrounding community and made our company an integral part of that community. This project involved the transformation of an auto-body shop into a beautiful retail cannabis outlet located on Fairmount Avenue in City Heights. The project included public transit improvements working with MTS as well as cleanup and improvements to Chollas Creek and other areas outside our property.



Figure 8. M&A City Heights Before and After.

We know how to build on time, on budget, and to the high standard of quality the City of Santee should expect from March and Ash.

The Santee project consists largely of tenant improvements to the existing space. Our focus will be on ensuring we execute construction to our high standard of quality utilizing the internal and external team of contractors that have successfully completed our other projects in San Diego County.

Construction Schedule

The construction schedule for the Santee project will span approximately four (4) months from receipt of the permits to build.

Construction is pegged on the schedule below to start in January 2025. However, we understand the City's timeline for awarding permits and the timeline for obtaining building and other clearances will likely push that start date way out. The date is utilized here for illustration purposes.

Typically, we file for building and ancillary permits and the State of California cannabis retail license application within thirty (30) days of being awarded a cannabis permit (we cannot open without having obtained the State license which we cannot apply for prior to obtaining the local permit).

In parallel, we begin sourcing materials so construction can commence as soon as all requisite building permits and other clearances are in hand.



Narrative Description of Construction

Construction will commence with an interior demolition phase, focusing on removing old ceiling tiles and deconstructing one of the existing bathrooms. This initial step will create a clean slate for the upcoming renovations.

Following demolition, the team will begin framing the new layout, which includes a manager's office, an inventory storage and product intake room, a breakroom, a reception

area, and the sales floor. New metal framing will provide a robust structure for the redesigned space, enhancing the building's integrity, aesthetics, and security.

Once the framing is complete, the focus will shift to installing new electrical, HVAC, and odor-control systems as well as a state-of-the-art security system. Additionally, provisions will be made for music systems and televisions, enhancing the customer experience.

After the electrical work, insulation will be installed within the new walls to improve energy efficiency and soundproofing to ensure neighborhood compatibility.

The final step in construction is the interior design and shop setup. This is the fun part, and it's where the shop comes together! We use the highest-quality materials, whether on polished concrete floors, custom glass and millwork, or stylish light fixtures, all to create a vibrant and welcoming atmosphere and an enjoyable and safe shopping experience.

In addition to the interior improvements, the project will include enhancements to the exterior, featuring tasteful and locally compliant signage to effectively communicate the M&A brand and guide customers to the entrance, adding visibility and accessibility.

Landscaping will be thoughtfully integrated to enhance the outdoor environment, leading up to the entrance and creating an inviting atmosphere for customers.



Figure 9. Interior M&A Sabre Springs

To mitigate water usage, landscaping will feature native and drought-tolerant plant species. The parking facilities will also be improved through restriping and new signage. This will ensure ample parking as well as compliance with State and local ADA and other requirements.

The project will be wrapped up with final inspections to ensure that every detail meets local quality and accessibility standards, paving the way for a successful opening that embodies the spirit of the M&A brand and meets your City's expectations.

If a small city entrusts us with a permit, we want to make sure we're not short-changing them in terms of the dollar investment they're putting into the build. We also want to build something the community and city can take pride in. It's our contribution to further destigmatizing the industry, showing locals we're upstanding members of the community committed to building something reputable and strengthening for everyone involved."

– Blake Marchand, Founder March and Ash, *MG Magazine* 2024

D. Banking and Financial Accounting

Banking

M&A has enjoyed traditional banking services for over three (3) years. We were one of the first commercial cannabis companies in California to have access to traditional banking from a national lender.

In 2020 we were selected for a cannabis banking pilot program spearheaded by the State of California Treasurer's Office and East West Bank working with the federal government.

We were selected for the pilot project based on our reputation for running a legally compliant business and only after rigorous review by East West Bank of our financial controls and people.

The bank's rigorous Know-Your-Customer (KYC) diligence performed on our company and its shareholders should provide the City of Santee with additional comfort that we are who we say we are.

Further, we meet East West Bank's reporting and other compliance requirements.

Banking with East West Bank has greatly reduced cash on-site and enhanced the overall security of our retail locations.



Figure 10. Interior M&A Telegraph

Operationally and for accounting purposes, we have real-time access to our accounts through the bank's online portal, and we can produce reports and other materials for both internal and external stakeholder purposes.

Banking with East West Bank also provides us with a bank that is top ranked nationally in terms of assets, performance, compliance, and service. We could bank with many local credit unions to avoid the rigorous review and federal system implications that come with full banking. But we are fortunate that a major national bank included us in a pilot that provides March and Ash with traditional full banking.

Below is a letter from East West Bank confirming the strength of this banking relationship. We invite you to contact East West Bank should you have any questions concerning our banking capacity or financial compliance record.

Letter from East West Bank Confirming Banking Services



EAST WEST BANK

October 10, 2024

To Whom It May Concern:

This letter is to inform you that **March and Ash, Inc., and its related entities** have business banking relationship with East West Bank since 2019. And they are in good standing with the Bank.

If you have any questions or require further information, I may be reached by phone at: 408-330-2078 or by email Joe.Li@eastwestbank.com

Warm regards,

Joe Li
AVP - Client Services Manager

Corporate Headquarters • 135 N. Los Robles Avenue, Pasadena, CA 91101 • Tel. 626.768.6000 • Nasdaq: EWBC

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Financial Controls

M&A employ financial controls that are consistent with the expectations of our investors and other stakeholders.

Our financial controls include our financial systems, our cash management policies described later in this application, and our finance department processes and leadership.

From a systems perspective, we employ an enterprise resource planning system that integrates all financial and accounting processes for each business vertical. The ERP system was developed to ensure a compliant, efficient, and scalable operation that meets the strict demands of cannabis industry regulations and city licensing requirements.

Key Features:

1. **Compliance Efficiency:** The baked-in METRC compliance ensures seamless cannabis tracking and reporting, adhering to state and local regulations.
2. **Operational Efficiency:** Automated APIs facilitate smooth data flow between systems, optimizing day-to-day operations and financial management.
3. **Scalability and Transparency:** The integrated system supports growth while maintaining compliance and financial transparency, which are key considerations for securing a city license.
4. **Streamlined Financial Reporting:** Quick and automated financial consolidation ensures timely updates, providing comprehensive insights into operations.

Software Stack:

- **Blaze POS:** Point of Sale (POS) system for retail that ensures effective tracking of sales, inventory, and compliance.
- **Wherefour:** Enterprise Resource Planning (ERP) solution for handling manufacturing, inventory management, and traceability for cannabis production.
- **Sage Intacct:** Cloud-based financial management system for consolidated financial reporting, integrated with Blaze and Wherefour to streamline financial workflows.

Integration:

1. **Baked-In METRC Compliance:** Fully integrated METRC compliance across the entire operation, automating tracking from seed to sale and ensuring alignment with regulatory requirements.
2. **Quick Financial Consolidation:** APIs and automation move data swiftly between Blaze POS, Wherefour, and Sage Intacct, providing timely financial consolidation across all operations.
3. **Automated Compliance and Reporting:** The system supports automated, accurate compliance reporting for regulatory and financial tracking, which is crucial for meeting city and state standards.

4. **Data Integrity and Accuracy:** Automated data flows minimize manual entry, ensuring high levels of accuracy and reducing risks of errors in reporting, which is critical for audits and license applications.

This ERP system ensures we capture all financial aspects of our business in a robust accounting system that is compliant with both local and national tax requirements.

This includes accounting U.S. Internal Revenue Code Section 280E which disallows all deductions or credits for any amount paid or incurred in carrying a commercial cannabis activity because cannabis remains a Schedule I or Schedule II controlled substance under federal law.

Our financial processes and procedures are regularly reviewed and audited by internal and external stakeholders.

Broadly, they include an internal team led by our controller and enterprise CFO Jeff Hornsby, who has deep accounting experience and knowledge of the cannabis industry. We also utilize industry-leading external accounting and audit firms to ensure we file and pay taxes in a timely matter while producing audited financials for our stakeholders.

The City of Santee will benefit greatly from the certainty our banking, accounting, and reporting functions provide to stakeholders in a nascent industry.

2. Daily Operations

Our team has established robust procedures for managing safety and security, quality control, inventory, ordering, delivery, accounting, cash, customer engagement, human resources, cannabis waste, odor control, reporting, document control, and countless other aspects of the business. These systems have been reviewed and approved by the California Department of Cannabis Control and several local jurisdictions and thoroughly vetted in our ten locations. Their effectiveness is evident in our company's strong safety record, flawless record of operational compliance, and healthy financials.

Getting the day-to-day right is a collaborative process between city government, community stakeholders, and us as business owners. For example, we worked closely with local governments to design and implement our security program in San Diego and Imperial. Both jurisdictions had unique concerns. We arrived at the best result together through an open dialogue about industry best practices. We will do the same in Santee, modifying our procedures as appropriate to fit community needs and address community-leader concerns.

A. Customer check-in procedures

We have implemented a 3-step check-in process to prevent unauthorized access to the facility and ensure all customers are 21 years or older (or 18+ with a valid physician's recommendation).

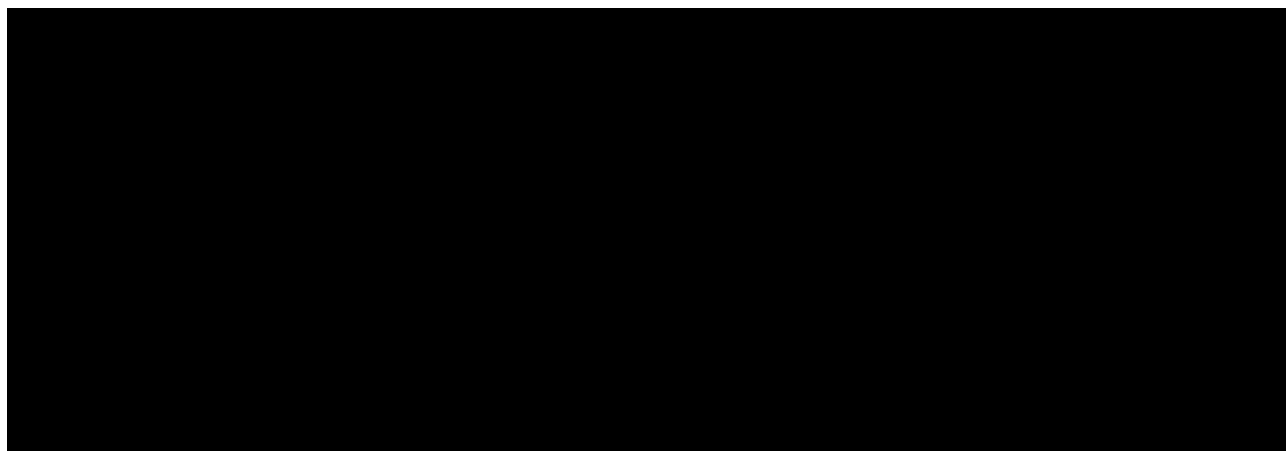
- **Security screening:** Customers are first screened outside the main entrance by a security guard who uses a metal-detecting wand to check for weapons or other prohibited items.
- **Reception check-in:** Next, the individual moves to the reception area, where a receptionist scans their driver's license and contact information into our point-of-sale (POS) system. This step is critical to ensure customers don't exceed the maximum per-day purchase amounts.
- **Entry to retail floor:** After check-in, the receptionist admits the individual to the retail floor, electronically releasing the door lock. The customer is greeted by a sales associate who can answer questions and provide prudent guidance.

B. Location and procedures for receiving deliveries

"Product intake" refers to receiving wholesale products from our distribution partners and centralized distribution hub. We have designated a room for receiving deliveries at the Santee location, as shown on the premises diagram in section C2 of this application. ([REDACTED]

Per State law, we only accept product deliveries from licensed distributors during regular business hours.

Regarding our intake procedures, state cannabis regulations do not require a chain-of-custody form. However, we have implemented one as it improves internal visibility and accountability. These records are stored digitally for easy accessibility and include the steps below:





C. Point of Sale (POS) Information and METRC-integration

Our POS system is Blaze. We use it to:

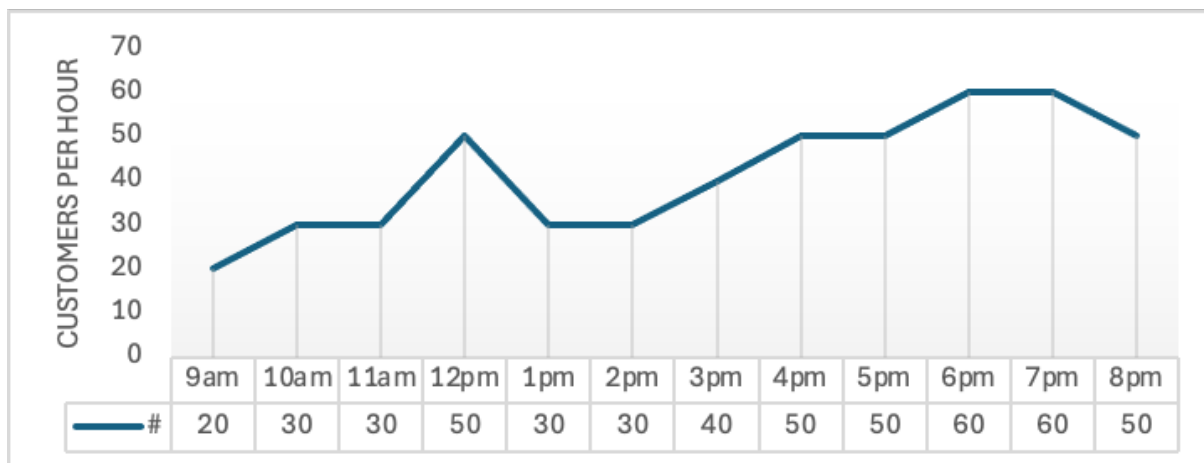
- Barcode all products
- Maintain accurate, real-time inventory
- Collect customer information to ensure customers are old enough to purchase and do not exceed the per-day buying limit
- Sell products in-store
- Transact products online for delivery
- Text delivery customers' automated order status notifications
- Calculate local and state taxes
- Track customer loyalty points
- Record discounts and credits
- Record all commercial cannabis activity in METRC, the state's track-and-trace system

On this last point, Blaze is fully integrated with METRC. It handles sales, inventory management, and inventory reconciliations. Our designated METRC account manager ensures data is recorded promptly and accurately. As required by the state cannabis regulations, we do a monthly inventory count and reconciliation, ensuring that our actual inventory matches what's recorded in METRC. Our METRC manager also oversees the administration of manifest acceptance records, state-authorized transfers, state-approved donations, and troubleshoots issues. They also contact METRC support as needed and track issues to completion.

Seven proposed POS terminals will be strategically placed around the sales floor to minimize customer queues. POS terminals will be staffed according to how busy the store is to reduce the amount of cash dispersed throughout the sales floor. Cash drops into the safe will occur regularly throughout the day in accordance with the cash handling procedures detailed in Section C. The location of the POS terminals is shown on the premises diagram in Section C2.

D. Expected number of customers to be served per hour per day

In our first year in operation, we anticipate serving around 500 customers daily. This averages to around 40 customers per hour; however, we typically see more traffic in the evening after people get off work.



With all new stores, there is a ramp-up period. We usually see the benefits of word-of-mouth marketing around six months. After our first year of operation, we anticipate the store's customer base (measured in sales) will grow by about 10 percent per year, which is what we've seen at other locations.

Anticipated Expansion to Delivery

Since M&A's inception, we have successfully fulfilled over 1.1 million delivery orders to customers throughout San Diego, Imperial, and Riverside Counties. We have refined our standard operating procedures over time to provide the highest quality service. Typically, we begin accepting orders at store opening and stop an hour before closing. Customers may place delivery orders online at www.marchandash.com. The online ordering system is fully integrated with our in-store POS and METRC. Customers must upload a valid ID through our third-party age verification system, Persona.

We anticipate adding delivery services once the store is open and operating smoothly, typically three to six months after opening. About one in four customers opt to have their orders delivered to their home rather than picking up in store.

E. Proposed products, brands, and categories by percentage

M&A plans to carry a wide variety of expertly curated cannabis products to meet the needs of the Santee market, whether the customer is a novice or experienced cannabis user. Our product offering will include 100 to 150 brands, representing about 1,000 products, including cannabis flower, prerolls, vape cartridges, concentrates, edibles, and accessories.

We'll feature some of the industry's most popular brands as well as lesser-known, high-quality "craft" brands.

Product Category Percentages

Half of our sales typically come from flower and half from manufactured products. Below is a detailed breakdown of forecasted sales by product category. These numbers are based on existing stores with similar market characteristics.

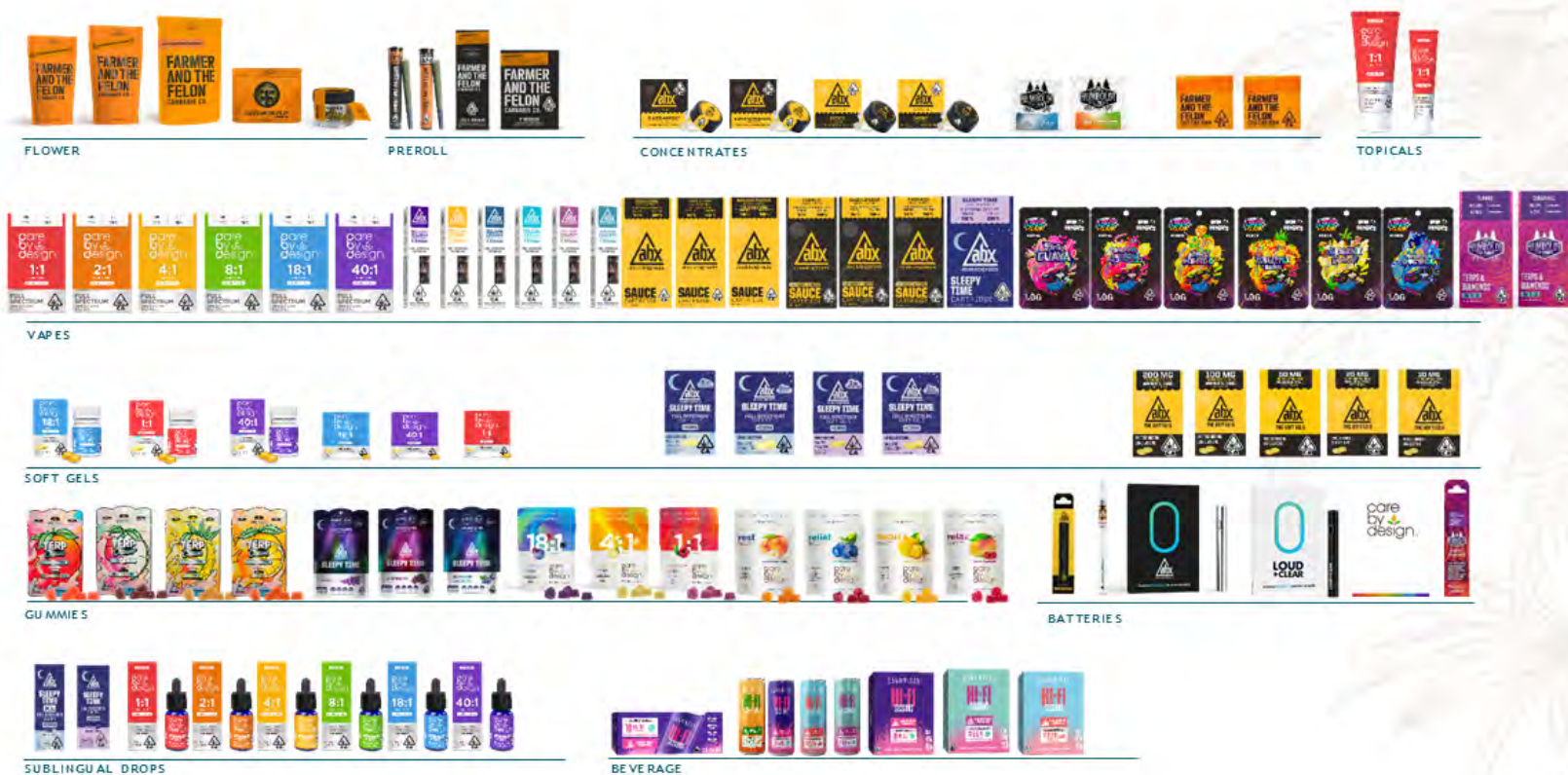
Category	Est %
Flower (including prerolls)	46%
Vape Cartridges	26%
Concentrates	7%
Edibles (Including beverages)	20%
Accessories	1%

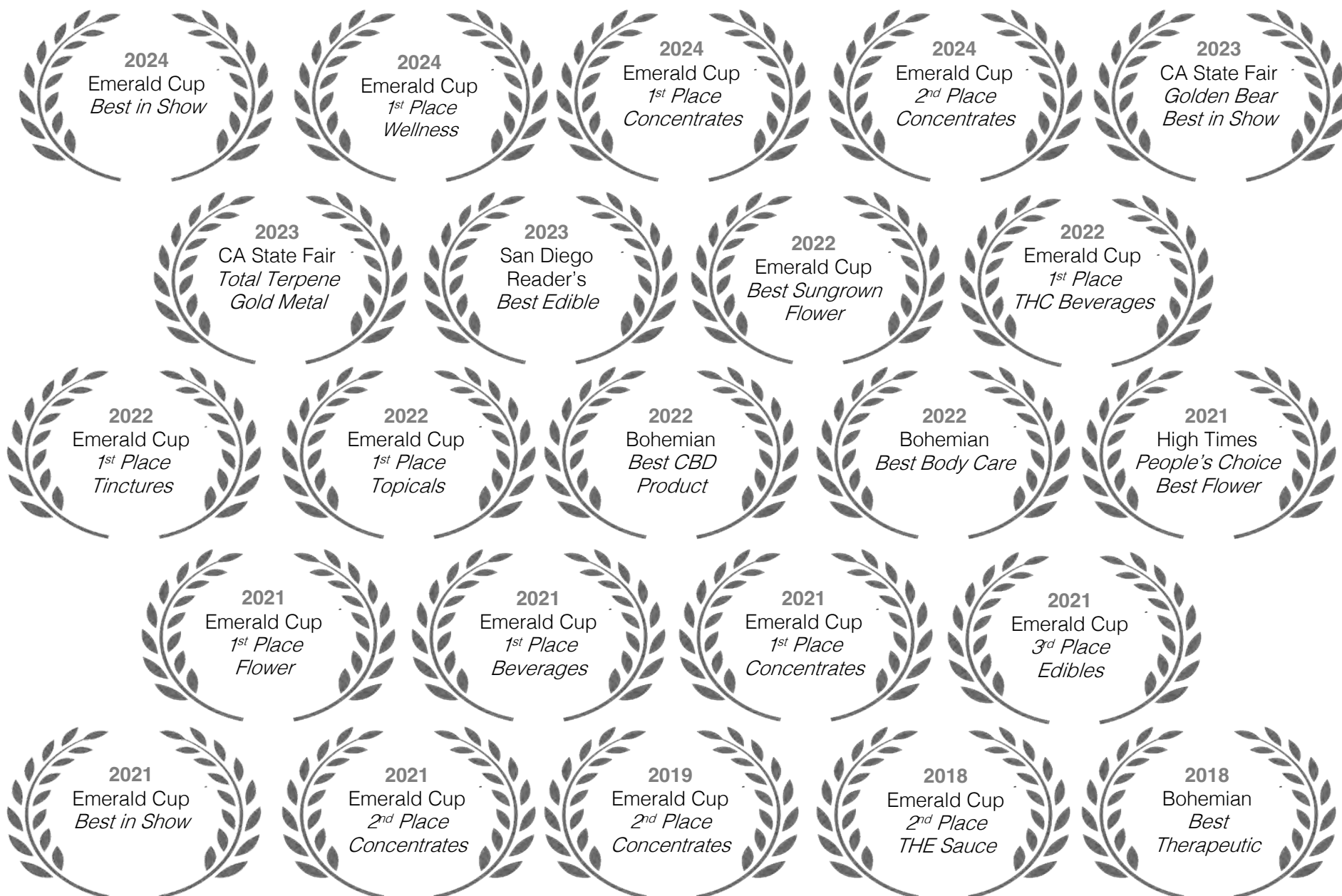
Brands and Products

Fortunately for us, through its subsidiary, CannaCraft, M&A makes many of the industry's most beloved brands, including Care By Design, AbsoluteXtracts, Hi-Fi Sessions, Kalya, and Community Cannabis, for which we've earned numerous awards.

Our own award-winning catalog and long-standing relationships with hundreds of cultivators, manufacturers, and distributors mean that we are ideally positioned to offer Santee customers the best products at the best prices.

GWH'S EXTENSIVE, AWARD-WINNING PORTFOLIO SPANS A WIDE VARIETY OF CONSUMERS AND NEED-STATES





Below is a list of brands we carry at our stores and will carry in Santee, as appropriate.

** CannaCraft, a GWH subsidiary, manufactures asterisked brands.*

710 LABS	Dr. May	Kiva
818 Brands	Dr. Norm's	Koa
ABX*	El Blunto	Kurvana
Alien Labs	Emerald Sky	Kushy Punch
Alpine	Farmer and the Felon*	LAX Packs
American Weed Co.	Farmer's Cup	LEVEL
Astronauts	Fig Farms	Lost Farm
BBrand	Flavorade	Loud + Clear*
Big Pete's	Flora and Flame	Lowell
Blem	Fog City Farms	Mary's Medicinals
Breez	Friendly	Northern Harvest
Buddies	Fuzed	Papa & Barkley
CAKE	Glass House Farms	Phire
Cali Lotus	Good Tide	Raw Garden
CAM	Gramlin	Rosin Tech Labs
Camino	Green Dragon	Rove
Cannabiotix	Grizzly Peak Farms	Royal Key
Cannabis Quencher	Happie	Sirius
Capulator	Heavy Hitters	Sluggers Hit
Care By Design*	Higgs	Smokiez Edibles
Champelli	High Garden	Soma Rosa
CIZI	Highatus	Sonoma Hills Farm
Claybourne Co.	Himalaya	Stiiizy
CLSICS	Howie Roll	Terra
Cold Fire	Humboldt Terp Council	Tyson 2.0
Community Cannabis*	Jeeter	Uncle Arnie's
Connected	Jetfuel	WVY
CRU	Jetpacks	WylD
Decibel Gardens	Joost	Yada Yada
Delighted	Kalya*	Kiva
Dibs Reserve	Kanha	Koa
Dime Bag	Kikoko	Kurvana
Dixie	Kingroll	
DomPen	Petra	

F. How we'll conform to local and state laws

We are proud of our impeccable compliance record. Our management team has worked hard to install a culture of compliance from day one, and it has taken a sustained commitment. **We have never received a fine, administrative penalty, or stop-work order from any state or local agency.**

On the contrary, we have received multiple commendations for our operational excellence!⁷ For example, most recently, HdL Companies (which provides compliance oversight for many local jurisdictions, including some we operate in) noted on our post-inspection report for our Imperial Beach location:

"We would like to commend you and your team for a well-run and managed commercial cannabis business. Your business operations are helping the City's cannabis program become a positive role model for such programs in the state."

Key Features of Our Compliance Program

Our program has several components:

1. **Compliance officer:** Our designated compliance officer reports to the Chief Executive Officer (CEO) and is ultimately responsible for ensuring all operations adhere to state and local laws and regulations and that all cannabis licenses and permits are in good standing.
2. **Staff training:** Our onboarding process includes a rigorous multi-day education and training program where new employees learn about the business, their responsibilities, and applicable laws and regulations. We also conduct annual refresher training on all key topics. When rules change or issues arise, we conduct "spot" training.
3. **Marketing reviews:** The compliance and legal teams review and approve all marketing materials, sales promotions, and packaging. All digital platforms (websites, menus, and social media) are audited quarterly.
4. **Monthly facilities audits:** All facilities are internally inspected every month to ensure compliance with regulatory requirements, OSHA standards, and our own Standard Operating Procedures (SOP).
5. **Issue tracking:** Compliance issues are documented and tracked to resolution through a critical incident reporting system. The CEO and Chief Operating Officer

⁷ Included at the end of the section is a letter of support from the City of Imperial Beach attesting to our continued compliance and operational excellence.

(COO) always have visibility into open issues. As required, we have procedures in place for reporting incidents to the authorities when appropriate.

6. **Recall Management Protocols:** Periodically, the DCC issues a mandatory product hold (embargo) or recall. We treat these notifications with utmost seriousness and act immediately. Our compliance team and the inventory manager review records across all stores, storage facilities, and distribution hubs to check if we have any units of the recalled product. If we do, we identify their exact location. Once confirmed, we instruct the store manager to remove and quarantine the product until we receive further directions from the DCC. If the DCC mandates the destruction of the product, we typically provide video confirmation of its disposal and any other required information. Since our POS system is integrated with METRC, all embargoed and recalled products are automatically marked as unavailable for sale, ensuring there is no risk of accidental sales. In 2024, there have been 92 cannabis product recalls, 12 of which involved products we carried.
7. **Centralized Inventory Management:** Implementing our centralized product distribution system in December 2021 has transformed our operational efficiency and regulatory compliance. By consolidating our receiving operations into a single hub, we've streamlined deliveries from 50+ weekly touchpoints from various distributors to just two or three weekly deliveries per location. Most significantly, this has improved our ability to ensure that all products undergo uniform quality control before reaching our retail locations. The centralized model has also strengthened our security posture by allowing us to schedule deliveries more appropriately and enforce standardized receiving protocols more effectively.
8. **Quarterly record audits:** Cannabis companies must maintain accurate records of all transactions, inventory, and compliance activities. We store these documents in a secure data repository that provides document control and version history and audit them quarterly.
9. **Process improvement:** We review all SOPs annually to ensure they reflect best practices and align with new laws or regulations.

The Santee location will benefit from all aspects of our established compliance program.

Agency Engagement

M&A has 13 licensed cannabis facilities across seven jurisdictions (10 retail, two manufacturing, and one distribution). We are well-versed in local, state, and federal requirements. We have forged strong working relationships with the many agencies with which we interact, including:

- **Local:** Local planning commissions, development services departments, health departments, community development departments, fire departments, code enforcement, and law enforcement.
- **State:** State agencies like the California Department of Cannabis Control, Department of Public Health, Office of Environmental Health Hazard Assessment, Department of Food and Agriculture, Highway Patrol, Department of Motor Vehicles, Department of Transportation, and State Water Resources Control Board.
- **Federal:** Federal agencies like the Environmental Protection Agency, Federal Motor Carrier Safety Administration, and Occupational Safety and Health Administration.

We are often asked to host tours for policymakers who want to see a well-run dispensary in action. Most recently, the DCC asked us to host a tour for members attending the Annual Meeting of the [Cannabis Regulators Association](#) (CANNRA). We love opening our doors and sharing our experience as a longstanding licensed cannabis operator. We would be delighted to extend this same open-door policy to Santee stakeholders.

Letter of Support from Imperial Beach City Manager



City of Imperial Beach, California

OFFICE OF THE CITY MANAGER

825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel: (619) 423-8615 Fax: (619) 628-1395

October 14, 2024

To: City of Santee

From: City of Imperial Beach

RE: March and Ash Retail Cannabis Outlet

To Whom it May Concern:

On July 18, 2018, the Imperial Beach City Council approved Ordinances 2018-1173 and 2018-1174, which authorize one retail cannabis outlet in the city in accordance with the provisions outlined in Imperial Beach Municipal Code (IBMC) Chapter 4.60, Cannabis Facilities.

In January 2019, the City began accepting preliminary Regulatory Safety Permit (RSP) applications. After a thorough review by a third-party evaluator and City staff, March and Ash was identified as the sole qualified applicant. March and Ash worked to secure all necessary approvals and fulfill all conditions stipulated in IBMC Chapter 4.60 within the specified timeframe and is currently open and operating its business in the city. Since then, March and Ash has consistently demonstrated compliance with all regulatory requirements in its business operations, including timely renewal of their RSP and adherence to all state and local laws, as verified by third-party inspectors and the City.

March and Ash also entered into a development agreement with the City of Imperial Beach in 2022. The development agreement grants March and Ash a vested land use right to locate a cannabis outlet business on the property provided that it pays certain fees to the City and operates the business in compliance with IBMC Chapter 4.60 and the RSP. The agreement also provides that the fees to be paid to the City can be used to fund any lawful City purpose including, but not limited to (1) drug awareness programs; (2) recreation; and (3) improvements to City facilities. March and Ash has made the required fee payments to the City and operated in compliance with the regulations. After the annual review of the development agreement in 2023, the City Council approved a resolution finding that March and Ash has complied in good faith thus far with the terms and conditions of the development agreement.

If you have any questions or require further information, please do not hesitate to contact me.

Sincerely,

Tyler Foltz, AICP

City Manager

City of Imperial Beach

G. How cannabis will be tracked to prevent diversion

Our inventory management procedures are designed to maximize accountability and reduce the risk of theft. We implement a first-in, first-out (FIFO) inventory management system at each store.

Additionally, all sales and inventory reconciliations are recorded through the POS system, providing real-time transactional visibility and ensuring compliance with regulatory requirements.

Inventory tracking: As mentioned, we have a fully integrated POS and Enterprise Resource Planning system (ERP), which allows us to track cannabis products from receipt to sale, ensuring compliance with state regulations.

Inventory reconciliation: We do an inventory reconciliation at each location every month to verify that our digital records are accurate. These physical counts are done after regular business hours to ensure that sales transactions do not interfere with the count. When the physical count is complete, we compare the physical and digital records and document and investigate any discrepancies. Records are digitally stored for easy access.

H. Waste Management Plan

M&A ensures that cannabis waste is tracked, stored, and disposed of safely and securely to prevent diversion.

Cannabis Waste Disposal Workflow



- **Designating Cannabis Waste:** In an M&A store, only the store manager can designate a product as unsellable and mark it for disposal. Typically, this is only done when a product is damaged, returned, expired, or used as a display sample. Expired, returned, damaged, or displayed products must be added to the Adjustment Log with the reason for disposal and relevant information (product name, brand, unique identifier, expiration date, etc.). A damage slip must be filled out for products designated for destruction before the product is placed in the appropriately labeled bins with the slip attached.
- **Storage of Cannabis Waste:** [REDACTED]
- **Recording Inventory Changes:** After the inventory manager removes the cannabis product from the store's physical inventory, the inventory manager must record the change in Blaze, our POS and inventory management system. Blaze then transmits the change to the state's track-and-trace system, METRC, via an integrated API (Application Programming Interface).
- **Destruction Process:** Cannabis cannot be disposed of until it's been separated from the packaging and rendered unusable and unrecognizable. The waste coordinator is responsible for this process. Per the State cannabis regulations, it must occur within a secure location on the licensed premises, under constant video surveillance. Cannabis and cannabis byproducts are rendered unrecognizable by grinding, pulverizing, and mulching, and then being mixed with other non-cannabis, nonhazardous material such as sawdust or cat litter.
- **Disposal Process:** Cannabis waste is hauled offsite by a licensed waste hauler, EcoWaste Solutions, specializing in compliant waste disposal management. EcoWaste will provide services to our Santee location under our existing contract.

Section B: Labor and Employment Plan

M&A is strongly committed to ensuring that workers can build rewarding long-term careers in the industry. Toward that end, M&A has pioneered educational programs for cannabis professionals. In addition to a robust internal training program, M&A has sponsored San Diego City College's (SDCC) "Business of Cannabis Course," which was the first sanctioned course on cannabis in the State's college system. We assisted in purchasing textbooks for students and co-taught several lessons with SDCC faculty. We also recruited community leaders, medical experts, and youth prevention advocates to share their thoughts on cannabis with students.

We are continually seeking opportunities to engage with the communities we serve to provide education and pathways to people seeking career opportunities in the growing cannabis industry. This commitment is reflected in our collective bargaining agreement with the UFCW Local 135, which covers over 400 March and Ash cannabis employees. This agreement is recognized nationally as the "industry best" for workers.

Importantly, our CBA allows our workers opportunities to move between stores, meeting both familial needs and opportunities for promotions. M&A is proud that over 50 percent of our corporate workforce began their careers on the shop floor. We're committed to training, mentoring, and promoting within.

1. Number of Employees

In the initial phase of our operations, we plan to hire a total of 10 employees, including:

- (1) store manager
- (2) assistant manager
- (1) order expeditor
- (4) sales associates
- (2) receptionists

We anticipate growing our staff by five to seven people within the first year. Some of the additional staff will relate to implementing the delivery operation, with the balance of additional employees being onboarded to match the ramp-up in store activity/volume.

2. Employee Responsibilities

All M&A stores have the following positions:

- **Store Manager:** Store Managers report directly to the COO and oversee all employees at their location. In addition to monitoring, scheduling, and coordinating employee breaks and performance reviews, the Store Managers are responsible for (i) opening and closing, (ii) reconciling registers against sales, (iii) coordinating

vendor deliveries, (iv) maintaining a clean and organized sales floor, (v) resolving customer complaints, (vi) coordinating cash drops and pickups and (vii) coordinating with security personnel.

(Compensation: ~\$75,000 per year)

- **Assistant Manager:** Assistant Managers ensure that operations run smoothly and efficiently. They support the Store Manager with employee timesheet management, break scheduling, and performance coaching and are responsible for shop management when the Store Manager isn't onsite.
(Compensation: Between \$20.35/hour - \$25.85/hour)
- **Order Expeditor:** Order Expeditors are responsible for conducting a physical inventory and quality assurance check of all wholesale products before product acceptance. They work with M&A's centralized inventory management team to properly intake wholesale products. Lastly, they work with our consumer order fulfillment team to prepare orders for delivery and pickup.
(Compensation: Between \$17.85/hour with \$1/hour/year annual increase)
- **Sales associates:** Sales associates are responsible for assisting customers, maintaining adequate stock of products on the floor, ensuring product displays are neat and tidy, maintaining store cleanliness, and keeping informed on the products we sell to ensure our customers receive accurate information.
(Compensation: Between \$17.85/hour with \$1/hour/year annual increase)
- **Receptionist:** The receptionist is the customer's first interaction with our staff. It is an essential position that sets the foundation for our customer experience. After being screened by security personnel outside, our receptionist will greet the customer and ask for a government-issued ID, ensuring the patron is at least 21 years of age (or 18+ with a valid physician's recommendation). The receptionist will then check the customer into the POS system and determine if they can immediately proceed to the sales floor or if they must wait in the reception lobby for the sales floor to get less busy.
(Compensation: Between \$17.85/hour with \$1/hour/year annual increase)
- **Delivery Driver*:** Delivery Drivers are responsible for picking up scheduled deliveries from the storefront, conducting deliveries, verifying customer IDs, collecting cash payments, making cash drops to the storefront, conducting vehicle inspections, and maintaining a clean vehicle.
(Compensation: Between \$17.85/hour with \$1/hour/year annual increase⁸)

⁸ Unlike many other cannabis retailers, we decided early on to purchase/lease our own fleet of delivery vehicles and designate our delivery drivers as employees, not 1099 contractors. This has resulted in a unionized delivery workforce that is well compensated and passionate about both our company and serving customers in an efficient, safe, and convenient fashion.

** To ensure the business gets off to a strong start, we plan to wait at least 90 days before introducing delivery services.*

The Store Manager reports to M&A's regional manager Terry Binion. Terry started as our manager at the Mission Valley location and now acts as the regional manager, providing training, mentorship, and oversight of the managers and assistant managers throughout San Diego County. This oversight includes ensuring our policies and procedures are continually flowed down and implemented throughout our retail stores. Terry in turn reports to Jonathan Saco, our Chief Operating Officer.

Our human resources department is centralized under our HR Director Savannah Johnson at our headquarters office space in Mission Valley. HR matters are reported to and then handled by the HR Department working with location leadership and, as applicable, UFCW Local 135.


3. Employee Benefits

- **Childcare Subsidies.** See next section.
- **Healthcare benefits:** Employees who work an average of 30 hours per week or more are eligible to participate in the company's healthcare plan on the first of the month following 60 days of employment. Employees may add eligible dependents.
- **Other insurance:** Employees regularly scheduled to work at least 30 hours per week can participate in our dental, vision, accident, critical illness, and life insurance plans. Employees may add eligible dependents to these programs. Coverage starts the first day of the month after completing 60 days of continuous employment.
- **Paid holidays:** The company observes nine (9) paid holidays each calendar year, including New Year's Day, Martin Luther King Jr. Day, Cesar Chavez Day, Easter, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.
- **Vacation policy:** Employees may use accrued vacation leave after their first 90 days at M&A. Initially, hourly employees accrue vacation hours at a rate of 0.0385 per hour worked, and salaried employees accrue at a rate of 3.07 hours per pay period. In the calendar year in which the employee reaches a service anniversary date listed below, the employee will begin accruing at the higher rate in the pay period that includes the anniversary.

Length of Service	Total Annual Benefit in Hours for Full Time Employees*	Accrual Rate		Total Limit on Hours that May be Accrued ("Maximum Accrual")
		Hourly Per Hour Worked	Salaried Per Pay Period	
0 through the end of 3rd year of service	80	.0385	3.07	120
Beginning of 4 th year of service through the end of 6 th year of service	120	.0577	4.62	180
Beginning of 7 th year of service	160	.0769	6.15	240

- **Sick pay:** At the time of hire, employees will begin earning .0334 hours of paid sick leave for every hour worked up to a maximum of 40 hours per year of paid sick leave. On January 1st of each year, employees will again begin earning .0334 hours for every hour worked up to a maximum of 40 hours of paid sick leave per year. Sick leave may be carried over and accumulated from year to year, up to a maximum of eighty (80) hours. Employees will be entitled to use accrued sick leave beginning on the 90th day of continuous employment. Any time taken off work for illness or injury before completing this period of continuous employment may be without pay. Paid sick leave may be used in as little as one-hour increments.
- **Retirement plan:** Employees are automatically enrolled in the CalSavers Retirement Savings Program 30 days after employment. This program is voluntary, and employees can contribute a portion of their salary through payroll deductions to an Individual Retirement Account.
- **Participation in Profits.** Our collective bargaining agreement recognizes that traditional 401k and other programs are difficult for our employees in the cannabis space to enter. As such the CBA enshrines our commitment to ensure that for any dividend made from a store (including March and Ash Santee, Inc.) 1% of that dividend will be deposited into an employee trust fund co-managed by the UFCW to benefit employees.
- **Employee bonuses for community participation:** Employees may be paid bonuses for community-oriented volunteerism.

- Education Stipends:** March and Ash, in partnership with the UFCW, is dedicated to supporting the professional and personal growth of its employees through the Education Assistance Program. This program is designed to help employees pursue higher education, regardless of their field of interest. Eligible employees who apply for the program and achieve a passing grade in their chosen subject will receive \$500 per year to support their educational endeavors. The program was designed and is overseen by Dr. Leroy Brady who recently retired as a business professor at San Diego Community College where he taught “The Business of Cannabis.” Dr. Brady now sits on our Board of Directors at Groundwork Holdings.



EDUCATION ASSISTANCE PROGRAM

Partnership at March and Ash with your Union UFCW Local 135, we are committed to your professional and personal growth. This program is intended to assist employees in seeking higher education no matter their interests.

What does this mean for you? If you are an employee with March and Ash or Pacabol you may be eligible for up to \$500 each calendar year in Education Assistance! This program is intended to assist with any educational course that elevates your professional and personal growth. Examples include any courses taken at a college, university, trade, technical, or vocational school, online schools, teacher trainings and certificate programs.

Requirements to receive benefits:

- must successfully pass your 90-day probationary period
- course or program must be completed in the year of 2024 (you are eligible to reapply each calendar year after)
- Must earn a passing grade of a 'C' (70%) or higher in the course/program
 - if your course or program is a modified A-F curriculum such as credit/no credit or pass/fail you must receive credit and/or pass the class to receive education assistance
- **The application for Education Assistance must be submitted within TWO WEEKS of completing the course/program.** With each application you will also need to submit
 - your transcript, including final grades and GPA
 - your course invoice receipt or account history indicating the tuition amount and payments made.

Application



Questions?
send questions via email to Brindley Polk at brindley@marchandash.com

Letter of support from United Food and Commercial Workers Local 135



2001 Camino Del Rio S., San Diego, California 92108
619.298.7772 • info@ufcw135.com • www.ufcw135.com

TODD WALTERS
President

GRANT TOM
Secretary-Treasurer

MARIBEL MCKINZE
Recorder

October 10, 2024

To whom it may concern-

Nearly four years ago UFCW Local 135 completed negotiations and ratified a collective bargaining agreement (CBA) with March and Ash and their nine locations in San Diego and Imperial Counties that sets the gold standard for wages and benefits in the cannabis industry.

This CBA will apply to March and Ash Santee, Inc. dba March and Ash should the company be selected to operate a cannabis business in Santee. The CBA includes industry setting wages with yearly wages increases, paid vacations, a child-care and education fund to support students and working parents to meet the needs of their families, an equity fund, employee trainings, including participation in UFCW's Cal-Osha training programs and trainings to enhance career mobility, and many more worker-friendly items not found at nonunion cannabis companies. In 2022, March and Ash and UFCW Local 135 also launched a joint labor management committee to collaborate on industry standards and ensure the terms of the CBA are met or exceeded.

We are proud of this contract and what it represents to the workers and the industry. We look forward to continuing to work with the owners of March and Ash on behalf of their workers as they expand their business in Southern California. March and Ash are creating careers, not jobs, in the fledgling cannabis industry and any municipality should be excited to work with this company.

In solidarity,

A handwritten signature in black ink that reads "Todd Walters".

Todd Walters
President, UFCW Local 135

Childcare Subsidies

One of the most cherished benefits M&A extends to workers is subsidized childcare. This program resulted from a partnership between the YMCA of San Diego County's Childcare Resource Service (YMCA CRS), M&A, and UFCW Local 135.

M&A contributes \$4,500 per year per eligible employee towards childcare costs.

The YMCA coordinates payments to the local childcare programs of an employee's choice, including in-home care. In other words, workers can pick their provider, including a family member. This program also means additional money goes directly into the community where it's needed.

Current M&A employees at other locations have used this benefit for in-home care, daycare, after school programs for older kids and even summer camps. We recognize that a retail environment creates a difficult schedule for parents (particularly single parents) to manage. This program is currently used for children up to the age of 16, recognizing that our M&A employee families' needs will evolve over time.

Under this program M&A employees have free access to a YMCA team member who can help them coordinate their childcare needs, identify other financial resources, and provide referrals.

This program has been very successful with several non-cannabis San Diego companies onboarding into similar programs with the YMCA. Our founder Breton Peace and the YMCA recently presented the success of this program to policy and business leaders from around San Diego County who are focused on finding solutions to childcare in our region.

M&A has also worked with MomsF1rst⁹ and their National Business Coalition for Child Care on national legislation to expand childcare credits and ensure they extend to cannabis employers who are doing the right thing.

It's all part of our family-friendly workplace, which is good for everyone, including our business! Employees who know their children are well cared for experience decreased stress, increased productivity, higher job satisfaction, and a greater ability to stay in the workforce. It helps us retain valuable employees and support their career growth while ensuring their children receive high-quality childcare.

⁹ <https://momsfirst.us/childcare-coalition/>

NONPROFIT & CORPORATE CITIZENSHIP AWARDS 2024

OUTSTANDING COLLABORATION WINNER

YMCA CRS, March and Ash Team Up to Make Childcare Work

CHILDCARE: Dedicated Childcare Stipends a Key Innovation in Giving Parents Choices

The partnership between YMCA of San Diego County's Childcare Resource Service (YMCA CRS) and March and Ash is a shining example of how a shared vision and combined resources can achieve greater impact in childcare access.

YMCA CRS is dedicated to connecting families with quality childcare options, supporting childcare providers, and partnering with employers to support their workforce with childcare solutions. By working with employers like March and Ash, YMCA CRS extends its reach to more families, providing personalized childcare referrals and support, ensuring that children receive the care they need while parents can pursue their careers

with peace of mind.

A unique advantage of YMCA CRS's Employer-Supported Child Care Partnerships is that most of the services YMCA CRS provides are free to employers and their staff. YMCA CRS helps employees find childcare with providers in their community or near their work site and helps them determine their eligibility to receive public financial assistance so they can afford quality care. This model allows YMCA CRS to achieve its mission to connect more families to care, and engages employers as partners in the process, fostering a family-friendly workplace.

March and Ash has shown exceptional commitment by not only utilizing YMCA

CRS's free expertise but also by providing their own dedicated childcare stipends to their employees, which can be used at the employee's choice of childcare providers, administered by YMCA CRS. This innovative approach has set a new standard for employer-supported childcare, demonstrating that businesses can play a critical role in addressing community issues.

Since the inception of this partnership in 2020, there has been significant positive outcomes. Employees at March and Ash report decreased stress, increased productivity, higher job satisfaction, and a greater ability to stay in the workforce. This collaboration has also helped retain valuable employees, supporting their career growth while ensuring their

children receive high-quality childcare.

YMCA CRS continues to expand this model by partnering with employers of all sizes across San Diego County to help working parents find quality childcare options that meet their families' unique needs. This past year, YMCA CRS assisted more than 14,500 families in finding a childcare provider and distributed more than \$95 million in childcare vouchers to more than 2,500 child care businesses. ■



¹⁰ <https://images.sdbj.com/wp-content/uploads/2024/09/SDBJ-Nonprofit-Corporate-Citizenship-Awards-2024-Winners.pdf>

Section C: Security Plan

1. Qualified Security Professional

M&A's security mission is to protect public safety and security while preventing cannabis theft and diversion. For this, M&A has contracted with Sapphire Risk Advisory Group, LLC ("Sapphire") (B07328001 Security Consultant, Texas, www.sapphirerisk.com) to prepare this security plan, as well as assist in designing and implementing its security program and strategy. Sapphire has extensive expertise in implementing loss-prevention controls and processes that mitigate security threats from armed robbery and burglary specific to the cannabis industry. To prevent off-site impacts to adjoining or near properties, Sapphire and their clients focus on preventing crime before it occurs. While reactive methods of catching criminals are instituted, this security plan focuses on deterrence. Sapphire has designed security operations for over 800 cannabis businesses in 37 states, including over 175 in California.

M&A will ensure compliance with the Application Procedure Guidelines for a Cannabis Business Permit ("Guidelines"), the Santee Municipal Code ("SMC"), as well as the California Code of Regulations, Title 14 ("4 CCR"), issued by the Department of Cannabis Control ("Department" or "DCC"). M&A will be responsible for all violations of the laws, regulations, and ordinances of the State and City, including any violations committed by any employee or agent of M&A. Per SMC §7.04.360(L), M&A understands all provisions incorporated within Section 7.04.320, Security Measures, are directly applicable and binding.

The following plan details the security measures M&A will institute to ensure the safety of people both at the dispensary and the property. The City Manager will verify compliance with the foregoing requirements before commencing business operations, per SMC §7.04.320(F). Upon renewal, the City Manager or Sheriff's Department may supplement these security requirements once operations begin, subject to review by the City Manager if requested by the business owner. Per SMC §7.04.350, the City Manager may develop other cannabis business operational requirements or regulations as are determined to be necessary to protect the public health, safety, and welfare.

2. Premises Diagram

A. Property Boundaries

As required by §15006(b), on the next page is a map showing the property boundaries. The proposed licensed premises, suite B1, is shown in gray. The scale is one inch equals 50 feet.

ARGENT STREET

PROSPECT AVENUE

DRIVEWAY

PARKING

ADJACENT BUILDING
(FIRE PROTECTION SERVICE COMPANY)

TRASH ENCLOSURES

LIGHT POLE

SUITE A - AUTO SERVICE CENTER (PAW AUTO SERVICE CENTER)
SUITE B1- MARCH AND ASH
SUITE B2- BREWERY (SUNNY GROVE BREWING CO.)
SUITE C- REAL ESTATE OFFICE (2ND FLOOR, INLAND PACIFIC COMMERCIAL PROPERTIES)
SUITE D- ABATEMENT SERVICES (1ST FLOOR, SUPERIOR ABATEMENT SERVICES)
SUITE E- VACANT

ADJACENT BUILDING-
FIRE PROTECTION SERVICE COMPANY (BRADSHAW ENGINEERING CO. AND SCENTCO, INC.)

PROPERTY BOUNDARY

APPLICANT: MARCH AND ASH
CITY: SANTEE, CA
ADDRESS: 8665 ARGENT STREET, SUITE B1, SANTEE, CA 92071
BUILDING SIZE: 23,529 sf
SCALE: 1" = 50'
ACCESSOR PARCEL #: 384-311-20



VICINITY MAP 

B. Other Businesses on Property

As required in section §15006(f), and per the Property Diagram above, there are six suites on the property that are being used as follows:

- Suite A: Paw Auto Service Center
- Suite B1: LICENSED PREMISES
- Suite B2: Sunny Grove Brewing Company
- Suite C: Inland Pacific Commercial Properties
- Suite D: Superior Abatement Services
- Suite E: Vacant

The adjacent building is occupied by a fire protection services company, Bradshaw Engineering Co. and Scentco, Inc.

C. Premises Boundaries

~~The premises security diagram for this security plan meets the requirements of the DCC, Title 4, Division 19, §15006 and was prepared by a licensed architect.~~

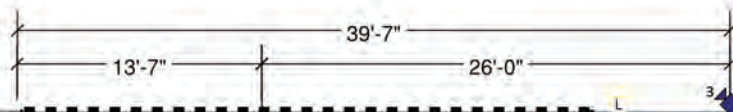
The amended Premise Diagram on the next page meets the requirements of §15006(e), stipulating that “the diagram shall be to scale to clearly determine the bounds of the premises.”



SECURITY DIAGRAM

MARCH AND ASH

8665 ARGENT STREET, SUITE B1
SANTEE, CA 92071



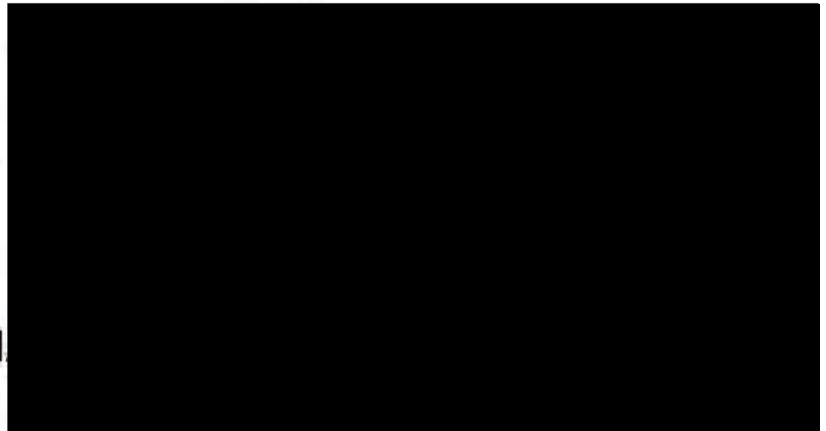
PREMISE DIAGRAM

SCALE: 3/32" = 1'-0"

- SUITE A - AUTO SERVICE CENTER (PAW AUTO SERVICE CENTER)
- SUITE B1- MARCH AND ASH
- SUITE B2- BREWERY (SUNNY GROVE BREWING CO.)
- SUITE C- REAL ESTATE OFFICE
(2ND FLOOR, INLAND PACIFIC COMMERCIAL PROPERTIES)
- SUITE D- ABATEMENT SERVICES
(1ST FLOOR, SUPERIOR ABATEMENT SERVICES)
- SUITE E- VACANT

PROPERTY BOUNDARY MAP

SCALE: 1" = 100'



3. Operational Security

A. Access and Visitor Control

Facility Access Protocols

Per SMC §7.04.320(A), M&A will implement sufficient security measures to deter and prevent unauthorized entrance into areas containing cannabis or cannabis products and to deter and prevent the theft of cannabis or cannabis products at M&A. M&A will have a professionally installed access control system designed to protect the inventory, facility, and employees, per SMC §7.04.320(A)(15). Network security protocols will be certified by Underwriters Laboratories, LLC, via an IT company, such as CentrexIT, which is familiar with UL 2900 standards and implementation and is currently a company vendor.

All entrances into the facility will be secured and always locked, with entry controlled by M&A. A door alarm will be connected to all entry points to ensure that employees and security guards are aware of ingress and egress at the facility. The interior will have a Reception Area where customers and visitors must verify their age and purpose with security personnel before being allowed into the Customer Sales Area. Per SMC §7.04.360(F), all restrooms used by the public will remain locked and under the control of management.

M&A will restrict access to any area containing cannabis to all persons except authorized employees or managers. M&A will employ a modular, scalable access control system for limited and restricted areas to prevent the sharing of access credentials and regulate the entry of employees and visitors. M&A will provide identification key cards for retailer employees based on the location to which they are assigned at a given time to ensure that only employees necessary for a particular function can access that area. Each employee card will contain a picture of the employee, and a unique serial number associated with the employee. Per 4 CCR §15043, every employee of M&A will also, at all times when present on the premises, wear an identification badge issued by the company containing, at a minimum, the company's name and license number, the employee's first name, their employee number, and a color photograph of the employee that clearly shows the entire front of the employee's face and that is at least 1 inch in width and 1.5 inches in height.

A KNOX-BOX Rapid Entry System safe box will be wall-mounted outside the Reception Area and hold building keys for first responders to retrieve in emergencies. The Santee Fire Department will hold master keys to all boxes in their response area so they can quickly enter the premises without having to force entry or find individual keys. Additionally, emergency vehicles will have full access to the premises to provide adequate emergency vehicle access (Fire, Sheriff, Ambulance) and the best possible emergency response time.

Commercial Doors, Windows, and Locks

Per SMC §7.04.360(K), operating hours will be limited to the hours of 9:00 a.m. through 9:00 p.m., seven days a week. Per SMC §7.04.320(A)(12), entrance areas will remain under the control of a designated responsible party that is either: (a) an employee of M&A or (b) a licensed security professional. M&A will proactively limit concealment outside the premises, and obstructions, trash, ladders, or other equipment will be removed from the exterior to prevent easy egress to the roof. No door or access point within the premises will be blocked or obstructed by interior or exterior security gates, grilles, or shutters during the dispensary's hours of operation. Steel bollards or similar physical barriers will be installed in front of the premises and rear doors to prevent a vehicle from driving through. M&A will ensure exterior windows are burglar-resistant and secured with glass break sensors. Per SMC §7.04.320(A)(9), any security measures, such as bars, installed on the windows or the doors of the facility will be installed only on the interior of the building.

All exterior doors and windows will be alarmed and secured against entrance or breakage. These doors will remain closed and locked when not immediately being used to enter or exit the area; windows will always stay closed. M&A will install commercial-grade, non-residential metal doors and hatches and commercial Grade 1 ANSI-rated door locks on all exterior doors unused for public entry and every door leading to a limited-access area, per 4 CCR §15046. These steel security doors will be on a metal frame and hinges and on the door's interior to prevent forced entry. Exterior locks will be shielded with metal plates to prevent manipulation from the outside.

Limited access areas will remain securely locked and protected from entry until access is required. Per SMC §7.04.320(A)(11), M&A will have the capability to stay secure during a power outage and will ensure that all access doors are not solely controlled by an electronic access panel. The required exit doors will be manually operable during a power outage to provide safe egress as required by the California Building and Fire Codes. A door alarm will be connected to all entry points to ensure employees and security guards are aware of the ingress and egress of customers, employees, visitors, or any individuals affecting the total capacity of the retailer. High-security keys will be available to override the locks while preventing duplication mechanically. M&A will keep all locks and security equipment in good working order.

Limited Access Areas

Per SMC §7.04.320(A)(3), M&A will establish limited access areas accessible only to authorized personnel. Only authorized employees and personnel will be allowed access to areas where cannabis, cash, or currency is being stored. Interior access control entry points will separate the limited access areas (such as the Vault) from all the retail customer areas of the dispensary (such as the Reception and Customer Sales Area). Other than retail customer areas, all other areas are restricted to managers, staff, and other persons with a bona fide or regulatory purpose for being there. These points separate the area restricted

from public entrances or unauthorized employees; most notably, areas with customers and patients will be separated from areas related to storage, handling of cannabis, or security information. Limited access areas will only be accessible to employees requiring such access to perform functions, and this access will be scheduled.

Entrances into Areas Where Cannabis is Displayed or Sold

M&A will ensure that any area where cannabis products are displayed or offered for sale is locked and under strict control. M&A will have a separate Reception Area where identification is checked to ensure only qualified persons gain access to where cannabis products are displayed. M&A will use a door buzzer entry system between the Reception Area and Customer Sales Area, which will be activated to allow customers to enter only after their identification, age, and medical marijuana patient qualifications are confirmed. Retail customers will only be permitted in designated retail customer areas. M&A will verify that persons entering the retail customer areas are authorized to purchase cannabis. Only people over 21 are allowed access to the facility, other than those 18-20 years old with proper medical marijuana documentation, per 4 CCR 15404(a-b), SMC §7.04.340(H)(2) and SMC §7.04.360(I), and are accompanied by a parent, legal guardian, or a primary caregiver. Valid proof of a physician's recommendation and identification is required before entry.

Visitor Procedures

A person who is not a customer or a holder of a valid employee identification badge/access key card of M&A is prohibited from accessing the facility unless they receive authorization and obtain a visitor identification badge with the visitor's name and company. No visitors under 21 years of age are permitted to enter the premises, and authorized visitors will not be allowed to enter limited access areas of the facility without reason. Per SMC §7.04.360(H)(1), access to the premises of a retail permittee will be limited to individuals who are at least 21 years of age. Per SMC §7.04.360(H)(2), notwithstanding subsection (H)(1) of this section, individuals who are at least 18 years of age and in possession of a valid physician's recommendation will be granted access to the premises of a retail permittee for the sole purpose of purchasing medicinal cannabis consistent with the physician's recommendation.

Per SMC §7.04.360(B), M&A will verify the age and all necessary documentation of each individual to ensure the customer is not under the age of 18 years. If the potential customer is 18 to 20 years old, M&A will confirm the customer's possession of a valid doctor's recommendation and/or Health and Safety Code Section 11362.71 identification card (medical marijuana card). For adult-use purchases, M&A will verify that all customers are 21 years of age or older for the purchase of cannabis or cannabis products.

Upon entry into the Reception Area, the visitor will communicate the purpose of their visit to a Security Guard. Additionally, per SMC §7.04.360(C), individuals must show their

government-issued identification and, in the case of medical cannabis facilities, their physician's recommendation or a cannabis card issued pursuant to Health and Safety Code Section 11362.71 to gain access to the sales floor. The government-issued identification and, if applicable, a doctor's recommendation or cannabis card must also be shown at the POS station at the time of purchase. Doctor recommendations are not to be obtained or provided at the retail location. Government-issued identification will be verified using an identification-authentication system, which not only checks the individual's age but also checks the individual against lists and alerts for fraud and excessive purchases. An acceptable form of ID will be limited to a government-issued passport, a state-issued driver's license, a State-issued identification card, or any other identification card issued by a state, territory, or possession of the United States that bears a picture of the person, the name of the person, the person's date of birth, and a physical description of the person. If the transaction employee or senior management believes diversion by a patient or caregiver is occurring, an investigation will be opened. Identification will be verified again before the purchase of any product or merchandise.

Per SMC §7.04.360(J), M&A will establish limited-access areas and permit only authorized individuals to enter those areas. Authorized individuals include individuals employed by M&A and outside vendors, contractors, or other individuals conducting business who require access to the limited access area. All individuals granted access to limited-access areas will be at least 21 years of age and, if not employed by M&A, will be escorted by an employee of the permittee. M&A will maintain a log of all individuals who are not employees who are granted access to the limited access area. These logs will be made available to the City Manager or the Sheriff's Department upon request.

B. Inventory Control

Tracking Cannabis Inventory

All cannabis and cannabis products sold, distributed, or manufactured will be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the State and local regulations, pursuant to SMC §7.04.340(E). M&A will maintain an inventory control and reporting system, per SMC §7.04.310(C), that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing, production, manufacturing, retail, and laboratory testing processes (as applicable) until purchase as set forth in the MAUCRSA. As per SMC §7.04.320(A)(14), M&A will demonstrate to the City Manager compliance with the State's track and trace system for cannabis and cannabis products as soon as it is operational.

M&A will conduct an initial comprehensive inventory of all cannabis in the possession and will include damaged, defective, expired, or adulterated cannabis awaiting disposal, including the name, the quantity, and the reasons for which M&A is maintaining the cannabis. M&A will maintain the results of the inventory reconciliation and make the

results available to the DCC. M&A will also conduct a monthly audit of all useable and unusable cannabis, as well as an annual comprehensive audit. All inventories will be maintained in electronic format and will include the date of the inventory, a summary of the inventory findings, and the names, electronic signatures, and titles of the individuals who conducted the inventory. The employee performing the inventory will directly input their findings into a device that interfaces with the inventory control system.

M&A currently uses Blaze for its POS and inventory tracking system. Blaze is a popular choice for dispensaries and complies with all DCC software requirements. Per SMC §7.04.340(D) and 4 CCR §15047.2(a), M&A will have in place a POS or management inventory tracking system to track and report on all aspects of the cannabis business, including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale), and other information which may be deemed necessary by the City. M&A will ensure that such information is compatible with the City's recordkeeping systems. In addition, the system must be able to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the City Manager before being used by M&A.

Per SMC §7.04.320(A)(13), M&A will have an accounting software system in place to provide POS data and audit trails for both product and cash, where applicable. Two employees will independently perform inventory reconciliations, and problems will be reported to the Store Manager. All inventory product weights will be performed using the same commercial scale. All scales will be inspected and approved by the Department of Weights and Measures. Results will be logged and reconciled upon completion.

Reporting

Per 4 CCR §15051(a), M&A will perform a company-wide inventory reconciliation of all cannabis and cannabis products at least once every 30 days. Per 4 CCR §15036 and SMC §7.04.320(E), M&A will notify the City Manager within 24 hours after discovering any of the following, as listed under SMC §7.04.320(E)(1-4):

1. Significant discrepancies identified during inventory. The level of significance will be determined by the regulations promulgated by the City Manager.
2. Diversion, theft, loss, or any criminal activity involving M&A or any agent or employee of M&A.
3. The loss or unauthorized alteration of records related to cannabis, customers or employees or agents of M&A.
4. Any other breach of security.

Any problems or concerns will be brought to the Store Manager, who will take all appropriate steps, including contacting the proper authorities if there is suspected criminal activity. Results will be maintained and provided to the City or the DCC upon request.

Cannabis Secure Storage Policies

Per SMC §7.04.320(A)(4), except for limited amounts of cannabis or cannabis products being used for display purposes in retail areas, all finished goods at M&A will be stored in a secured and locked vault or vault-equivalent during non-operating hours. All safes and vaults used to store cash and/or cannabis goods will comply with Underwriters Laboratories, LLC, burglary-resistant, and fire-resistant standards. All cannabis and cannabis products, including live clone plants that are being sold, will be kept in a manner so as to prevent diversion, theft, and loss.

Cannabis and cannabis products onsite will never be visible from the public right-of-way, from the main entrance, or any unsecured areas surrounding the premises.

Per SMC §7.04.360(E), M&A will have only that quantity of cannabis and cannabis products to meet the daily demand readily available for sale on-site in the retail sales area of the retailer. Additional products may be stored in a secured, locked area to which customers, vendors, and visitors will not have access. All cannabis and cannabis products displayed in the Customer Sales Area will be stored in locked and secured display cases with an internal alarm system supported by 15mil safety laminate glass; all cannabis and cannabis products will be removed and stored in the Vault at the end of each day.

At the close of the business day, two (2) employees will inventory cannabis products behind the POS area and from any display cases and take them to the Vault for overnight storage. The Vault will be in an area separated from the main entrance and secured with a lock accessible only to managers. M&A will ensure storage areas provide adequate lighting, ventilation, sanitation, temperature, humidity, and the space, equipment, and security conditions for dispensing cannabis. No cannabis and cannabis products will be allowed outside the Vault after business hours. All safes and vaults will comply with Underwriter Laboratories' ("UL") burglary-resistant and fire-resistant standards. Class 1 vault panels will be installed, and a Class 1 door with a Group 1 lock will be used for entry into the Vault.

Odor

Per SMC §7.04.340(I), odor control devices and techniques will be incorporated to ensure that odors from cannabis are not detectable off-site. M&A will provide a sufficient odor-absorbing ventilation and exhaust system so that odor generated inside M&A that is distinctive to its operation is not detected 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 the same building as M&A. As such, M&A must obtain a building permit and install and maintain the following equipment, or any other equipment which the Director determines is a more effective method or technology, as listed under SMC §7.04.340(I)(1-2):

- An exhaust air filtration system with odor control that prevents internal odors from being emitted externally; and
- An air system that creates negative air pressure between M&A's interior and exterior so that the odors generated inside are not detectable on the outside of M&A.

Waste Storage and Destruction

M&A recognizes that cannabis designated as unusable, undesired, excess, unauthorized, misbranded, or deteriorated may still be subject to theft and diversion while it is scheduled for disposal. Waste will be ground, incorporated with 50 percent non-cannabis waste, and stored in a secured container with a commercial-grade lock until disposal. M&A will ensure that all cannabis is removed or separated from any packaging or container and that the cannabis is rendered unrecognizable and unusable before disposal, per 4 CCR §17223. All cannabis waste will be tracked accordingly in the inventory control system.

Video Surveillance System

To prevent and detect unauthorized access, diversion, theft, or loss of cannabis and cash, M&A has contracted with a California-licensed third-party video surveillance company to install, maintain, and monitor all video surveillance equipment at the premises per 4 CCR §15044. Per 4 CCR §15047(a-b), an approved supervising station will monitor the video surveillance and alarm systems using a UL-listed central station alarm monitoring company, as required by the California Fire Code. Professional, commercial-grade security and surveillance systems will be installed to prevent cameras from being readily obstructed, tampered with, or disabled.

M&A will implement a video surveillance system of at least high-definition (HD) quality and record in color, per SMC §7.04.320(A)(5). All exterior cameras will be in weather-proof enclosures, located to minimize the possibility of vandalism, and able to automatically switch to black and white in low-light conditions.

M&A, per SMC §7.04.320(A)(5), will install 24-hour security surveillance cameras to monitor all entrances and exits to and from the premises, all interior spaces within M&A that are open and accessible to the public, all interior spaces where cannabis, cash, or currency is being stored for any period of time, and all interior spaces where diversion of cannabis could reasonably occur. Additionally, M&A will record POS areas and areas where cannabis goods are displayed for sale on the video surveillance system, per SMC §7.04.360(G)(5). At each POS location, camera placement must allow for recording the facial features of any person purchasing or selling cannabis goods or any person in the retail area, with sufficient clarity to determine identity.

Cameras will be installed at a height that provides a clear image of all individuals and activities in and around the premises from at least 20 feet away. Per 4 CCR §15044(d)(1-5), M&A will use direct line-of-sight placement to provide clear and certain identification of all

individuals and activities in and around the premises. Images will clearly reveal details, not limited to employee and visitor ID badges, tattoos, facial features for facial recognition, and license plates.

M&A will utilize Internet Protocol (IP) cameras to stream data via Internet and codec technology. M&A will use dome cameras that record at least 2 Megapixel resolution and 15 frames per second per 4 CCR §15044(f). Cameras will utilize the infrared spectrum to improve contrast, and lighting will also be installed to increase picture clarity and brightness and ensure proper surveillance. Per SMC §7.04.320(A)(5) and 4 CCR §15044(i), video recordings will be maintained for a minimum of 120 days, exceeding the 90-day requirement of 4 CCR §15044(h), and will be made available to the Sheriff's Department upon request. Surveillance video will record 24 hours per day, seven days per week, per 4 CCR §15044(f). M&A will make video recordings available to the City upon request. Recorded footage will display the correct date and time-synchronized per the official time established by the National Institute of Standards and Technology in a manner that does not significantly obstruct the view of recorded images, as per 4 CCR §15044(j). The time and date will not overlap with the video, so the image is always fully visible.

M&A's security system will use a multi-channel IP Network Video Recorder (NVR) as the central hub for video recording, monitoring, and reviewing. Per SMC §7.04.320(A)(5), M&A will be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the City Manager and compatible with the City's software and hardware. In addition, if required by the City, remote and real-time live access to the video footage from the cameras will be provided to the Sheriff's Department at the expense of M&A. Video will be of sufficient quality for effective prosecution of any crime found to have occurred on the site of M&A and will be capable of enlargement via projection or other means. Internet protocol address information will be provided to the Sheriff's Department to facilitate remote monitoring of security cameras. Surveillance storage system equipment will be securely stored in the Vault with at least one camera recording the access points to the secured surveillance recording area.

Modern video analytics can be linked to the alarm system, detect intrusion and loitering before they lead to property crimes, and assist in the investigation of flawed sales transactions. M&A plans to incorporate these features into its operations and capabilities to further the aims of its security plan.

Alarm System

Per SMC §7.04.320(A)(8), M&A will have a professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the State of California Bureau of Security and Investigative Services. M&A will ensure that the alarm system includes a private security company that is required to respond to every alarm. Any manual alarm stations used with employee alarm systems will be unobstructed, conspicuous, and

readily accessible. The alarms will be tested regularly and serviced according to manufacturers' recommendations.

Per SMC §7.04.320(B)(4), M&A will confirm 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. Per 4 CCR §15047(a-b), the video surveillance and alarm systems will be monitored by an approved supervising station, using a UL-listed central station alarm monitoring company, as required by the California Fire Code, that is required to respond to every alarm.

The alarm system will utilize commercial-grade equipment to prevent and detect diversion, theft, or loss of cannabis goods. In addition, on-site security guards will respond to every alarm. Alarm systems will be maintained in good working condition, and data will be provided to regulators within 24 hours of the request. The alarm system will, at minimum, cover the following areas of the retailer: all points of ingress and egress to and from the retailer, including doorways and windows, rooms with exterior windows, any rooms with exterior walls, any rooms containing a safe, any rooms where cannabis and cannabis products are sold or stored, roof hatches, and the perimeter of the retailer.

Per SMC §7.04.320(A)(6), sensors will be installed to detect entry and exit from all secure areas. A security company licensed by the State of California Bureau of Security and Investigative Services will monitor them in real time. At a minimum, sensors will be installed at every entry and exit from all secure areas (such as the Vault and Manager's Office). Motion detection will trigger the alarm system at a specific zone if there is an attempted break-in through the roof, windows, or walls. M&A will use door transmitters to monitor when doors are opened and integrate glass-break detectors on any exterior glass.

Per SMC §7.04.320(A)(7), panic buttons will be installed in all areas with direct notification to the Sheriff's Department dispatch. They will be configured to immediately alert dispatch for the Sheriff's Department. M&A will work with the Sheriff or their designee to choose panic button locations, which will be installed wherever advised. The alarm system and panic buttons will be equipped with a radio automatic voice dialer. When activated, it will send an immediate, prerecorded voice message requesting dispatch to the central station alarm company and the Sheriff's Department directly and alerting senior management.

To comply with the above-mentioned security measures, the following alarm system and intrusion devices, or similar, will be used:

- Honeywell VISTA-128BPT Burglary Alarm Panel – can send alarm signals and upload/download via Internet Protocol. The control panel will send a signal or polling to the alarm company every 200 seconds to ensure the system is in good working order and transmitting to the alarm company;
- 8-zone expander Honeywell 4208U;

- LCD keypad Honeywell 6160F – used to arm the alarm system. A duress code will be equipped to allow users to transmit a silent signal to the alarm company and the Fire and Sheriff Department, indicating that the user is being forced to turn off the system;
- 4G LTE Honeywell Home Intrusion Model #: LTE-XV;
- 50’ Honeywell DT8050 Motion Detector – passive infrared and microwave motion detection;
- Honeywell 269R Panic Button – these holdup buttons will directly notify the Fire and Sheriff Department dispatch and will be configured to immediately alert dispatch for the Fire and Police Department, as well as the alarm monitoring company;
- Glass break detector Honeywell FG730 – will be installed within proximity to all windows;
- Honeywell 947-75WH Recessed magnetic contact – Door contact transmitters monitor when doors are opened and detect entry and exit from all secure areas;
- AVTECH Panic Buttons 1&2 – audible alarm for medical emergencies;
- 120 dB Outdoor Siren/Strobe W Box Technologies OE-OUTDSIRSC; and
- TRIPP LITE (SU3000RTXLCD2U) GENERAL-PURPOSE UPS.

Per 4 CCR §15044(k), M&A will install a failure notification system of any failure in the surveillance system, alerting management within five minutes. To prepare for an outage, M&A will contract with a licensed power source company to purchase a backup power source system to maintain regular video surveillance activity for up to forty-eight (48) hours. The video surveillance and alarm systems will be equipped with an uninterruptible power supply synchronized with a generator to provide a seamless transition from primary power to auxiliary power in the event of a power outage.

Delivery

In compliance with SMC §7.04.320(C), M&A will have a storage and transportation plan that describes in detail the procedures for safely and securely storing and transporting all cannabis and cannabis products that may be used by the business, and currency.

Per §7.04.370(B), all storefront retailers that conduct deliveries into or within the City of Santee will be required to obtain a permit from the City of Santee to conduct retail sales regardless of whether they are located in the City or another local jurisdiction. Operating hours, per §7.04.370(C), will be limited to the hours of 9:00 a.m. through 9:00 p.m., seven days a week.

Before commencing delivery operations, M&A will provide the following information to the City, as listed under §7.04.380(A-E):

- Proof of ownership of the vehicle or a valid lease for all vehicles that will be used to deliver cannabis or cannabis products.

- The year, make, model, color, license plate number, and numerical vehicle identification number (VIN) for all vehicles used to deliver cannabis goods.
- Proof of insurance as required in Section 7.04.300(B) for all vehicles that deliver cannabis goods.
- M&A will provide the City with the information required by this section in writing for any new vehicle that will be used to deliver cannabis goods before using the vehicle to deliver cannabis goods.
- M&A will provide the City with any changes to the information required by this section in writing within 30 calendar days.

The vehicles will have some of the most secure and advanced features, including an Integrated Camera System, Global Positioning System (GPS), Secure Locker Area, Climate Controlled Function, and Alarm System. Each vehicle's appearance will be as plain as possible, with no markings or other indication that it is being used to transport cannabis, and will not display signs, logos, pictures, or any other form of advertisement that can be detectable by a bystander or observer that the vehicle may be used for or is carrying cannabis products.

Each delivery driver will not leave until they have a delivery inventory ledger of all cannabis goods received. The delivery inventory ledger will include the type of goods, the brand, the retail value, the track and trace identifier, weight, volume, or another accurate measure. After each delivery, the inventory ledger will be updated to reflect the current inventory in the vehicle. The driver must maintain a log that includes all stops on the route and the reason for each stop.

Before each delivery, M&A will prepare a hard copy or electronic delivery request, as per 4 CCR §15420(a-b). Per §7.04.370(A), M&A is required to verify the age and the necessary documentation of each customer. They must ensure that medical customers are at least 18 years of age and verify that the customer has a valid doctor's recommendation. Doctor recommendations are not to be obtained or provided at the retail location. In the case of adult-use customers, they must verify that the customer is at least 21 years of age. Sales will only be made to persons matching this criterion. The driver will then provide the customer with a receipt, retaining a second signed copy for company records. In accordance with 4 CCR §15420(c), employee numbers and customer numbers will be unique and readily identifiable by M&A should the DCC request records.

Training will emphasize safety and protecting life over things that can be replaced. Delivery drivers will be trained for all feasible situations, including customer interactions, emergency communication, vehicle accidents, breakdowns, law enforcement encounters, theft, and attempted theft, and identifying alternative routes. Delivery drivers will be instructed that any motor vehicle used by M&A will be available for inspection by the City upon request. M&A has a zero-tolerance policy regarding consumption, and per 4 CCR §15419, drivers will be dismissed if they are found to be consuming cannabis or alcohol while driving for deliveries.

Recordkeeping

M&A values records as a means to improve operations, manage finances, assist internal and external audits, and provide the City, the DCC, or local law enforcement with information. M&A will maintain accurate books and records in an electronic format, detailing the revenues and expenses of the business and all of its assets and liabilities. As previously mentioned, M&A will implement UL-2900 network security protocols that are certified by Underwriters Laboratories, LLC, per SMC §7.04.320(A)(5). Records will have safeguards against unauthorized erasures and changes in data after the information has been entered and verified by M&A. All physical documents required under 4 CCR §15037 will be stored in the Manager's Office to provide security and compliance with all state and federal document storage and confidentiality rules.

The sales records will contain all the requirement information set forth in 4 CCR §15049. M&A will maintain accurate books and records in an electronic format detailing revenue, expenses, assets, and liabilities pursuant to SMC §7.04.310(A). On no less than an annual basis (at or before the time of the renewal of a cannabis business permit issued pursuant to this chapter) or at any time upon reasonable request of the City, M&A will file a sworn statement detailing the number of sales by the business 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 and fees paid or due to be paid. On an annual basis, M&A will submit to the City a financial audit of the business's operations conducted by an independent certified public accountant. M&A will be subject to a regulatory compliance review and a gross receipts financial audit, where applicable, as determined by the City Manager. All records collected, except for surveillance records, will be maintained for a minimum of seven years in accordance with 4 CCR §15037. M&A will report any loss, damage, or destruction of these records to the City Manager within twenty-four (24) hours of said occurrence.

Per SMC §7.04.320(D), M&A will cooperate with the City whenever the City Manager makes a request, with or without prior notice, to inspect or audit the effectiveness of any security plan or of any other requirement of this chapter. Inspecting authorities will have unimpeded access to inspect the premises, including all records, reports, documents, points of sale, products, surveillance footage, and any other access necessary to ensure compliance. No person will refuse, impede, obstruct, or interfere with a lawful inspection, per SMC §7.04.490(B).

4. Cash Handling

A. Receiving Cash

Cash will be monitored to guard against counterfeiting, fraud, miscounting, errors, and other employee theft and diversion practices. All employees will be held accountable for the balance of their drawers periodically during working hours and at the close of each day.

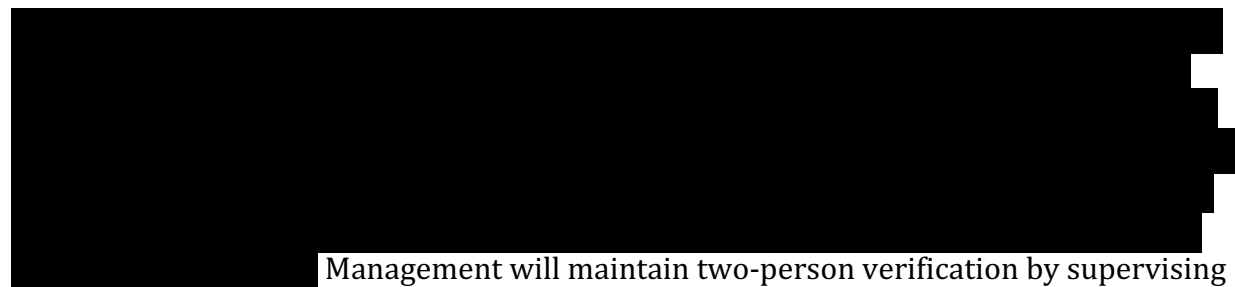
If an employee does not balance accurately within one percent (1%) on three occasions, that employee may be terminated or removed from any position involving the handling of funds. The POS system will record all transactions, which a dedicated POS security camera will monitor. All cash transactions and counting will be conducted within full view of a security camera.

In conjunction with safe harbor banking, M&A will utilize all possible legal avenues to make transactions with reliable, secure payment methods other than cash, such as credit cards and cashless ATMs, to reduce the amount of cash on site. Customers spend more via electronic payments than cash, and employees and customers feel safer when large amounts of cash on hand are reduced. M&A will ensure full legal compliance and thorough information security standards as the non-cash cannabis industry develops.

B. Tracking Cash

Every transaction will be recorded by the inventory track-and-trace system that provides retail customers and M&A with sales records. Cash will be monitored to guard against counterfeiting, fraud, miscounting, errors, and other employee theft and diversion practices. All cash transactions and counting within the facility will be completed in full view of surveillance cameras. Management will conduct unscheduled audits and incorporate techniques such as intentionally overloading the starting cash amount by a fixed amount, ensuring that there is an equivalent coverage when cash is counted later in the day, and frequently conducting unscheduled spot checks or audits of dispensary agents who handle cash. If an employee is found to have errors consistently, M&A will determine whether more training or termination is required.

C. Storing Cash

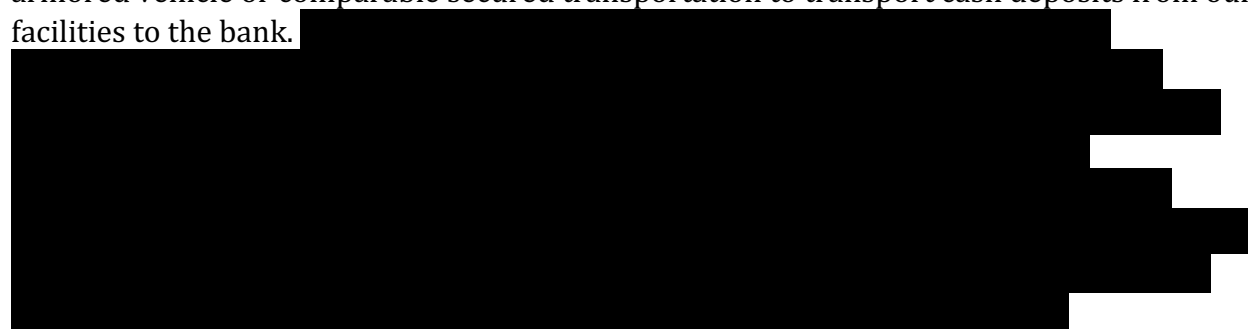


Management will maintain two-person verification by supervising the daily deposit of revenues into the cash safe; M&A policy requires two people to open a safe or vault. A two-party system ensures that no one person has sole access to the safe's contents. All cash deposits into the safe will be logged with an accurate count and management signature. From time to time, senior management will conduct unscheduled spot checks or audits of cash in the safe.

D. Transporting Cash

M&A enjoys full traditional banking services from East West Bank (EWB). EWB provides cash transportation services through a third-party security company that utilizes an

armored vehicle or comparable secured transportation to transport cash deposits from our facilities to the bank.



5. Perimeter Security

A. Overview

The perimeter will be designed to discourage theft and diversion. M&A will limit concealment outside the premises and install measures that cannot be manipulated. Exterior doors will restrict unauthorized access. Per SMC §7.04.320(A)(16), exterior vegetation will be planted, altered, and maintained in a fashion that precludes its use as a hiding place for persons on the premises.

M&A will confirm that a designated manager will be on duty during business hours and will be responsible for monitoring the behavior of employees in compliance with SMC §7.04.320(B)(1). M&A will maintain the premises so that it is visually attractive and safe. M&A will ensure that the premises are maintained in a manner that does not cause a nuisance. M&A will ensure any litter is removed daily and the premises are cleaned weekly. All upkeep and operating characteristics will be compatible with abutting properties and the surrounding neighborhood.

B. Code and Building Requirements

Per SMC §7.04.260 and SMC §7.04.340(M), prior to commencing operations, M&A's permit will be subject to a mandatory building inspection. It must obtain all required permits and approvals that would otherwise be necessary for any business of the same size and intensity operating in that zone. This includes but is not limited to obtaining any required building permit(s), Fire Department approval, Code Enforcement approvals, Department of Development Services approval, Sheriff's Department approval, County of San Diego Health Department approval, and any other applicable zoning and land use permit(s) and approvals. The original copy of the permit issued by the City pursuant to this chapter and the City-issued business license will be posted inside M&A in a location readily visible to the public, per SMC §7.04.340(J).

Pursuant to SMC §7.04.290(D), M&A will also, as listed under SMC §7.04.290(D)(1-6):

1. Conform with the City's General Plan, any applicable specific plan, master plan, and design requirements.
2. Comply with all applicable zoning and related development standards.
3. Be constructed in a manner that minimizes odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties.
4. Be adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and all items required for the development.
5. Be served by roadways adequate in width and improved as necessary to carry the kind and quantity of traffic such use will generate.
6. Be provided with adequate electricity, sewerage, disposal, water, fire protection and storm drainage facilities for the intended purpose.

C. Signage

M&A will abide by all signage requirements listed under SMC §7.04.340(G)(1-5):

- In addition to the requirements otherwise set forth in this section, business identification signage for M&A will conform to the requirements of Chapter 13.32 (Signs) of this code, including, but not limited to, seeking the issuance of a City sign permit, if applicable.
- No signs placed on the premises of M&A will obstruct any entrance or exit to the building or any window.
- Each entrance to M&A will be visibly posted with a clear and legible notice indicating that smoking, ingesting, vaping, or otherwise consuming cannabis on the premises or in the areas adjacent to M&A is prohibited. The sign will be no larger than two feet by two feet.
- Business identification signage will be limited to that needed for identification only and will not contain any logos or information that identifies, advertises, or lists the services or the products offered. M&A will not advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of M&A or elsewhere, including, but not limited to, the public right-of-way.
- Signage will not depict any image of cannabis or cannabis products. No permanent banners, flags, temporary billboards, or other prohibited signs may be used at any time.

Additionally, per SMC §7.04.340(H)(3), the entrance to M&A will be clearly and legibly posted with a notice that no person under the age of 21 years of age is permitted to enter.

D. Restrictions

Per SMC §7.04.340(A), M&A may operate only during the hours specified in the permit issued by the City. No person under the age of 21 will operate or be issued a permit. Per SMC §7.04.340(C), no cannabis or cannabis products or graphics depicting cannabis or

cannabis products will be visible from the exterior of any property or on any of the vehicles owned or used as part of M&A. No outdoor storage of cannabis or cannabis products is permitted at any time.

Per SMC §7.04.340(B), cannabis will not be consumed by any person on the premises. No person will cause or permit the sale, dispensing, or consumption of alcoholic beverages or tobacco on or about the premises of M&A. M&A will prevent the use and consumption of cannabis by all people, including clients, staff, and visitors, on the premises by posting, in one or more visible locations on the premises, a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis or cannabis products on the premises or in the areas adjacent to M&A is prohibited. Security and all staff will be trained to spot potential issues related to cannabis consumption and to interrupt incidents before they begin.

Per SMC §7.04.360(G), M&A will only serve customers who are within the licensed premises or at a delivery address that meets the requirements of this chapter as well as the following, as listed under SMC §7.04.360(G)(1-4):

- 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.
- M&A 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.
- All cannabis goods sold by M&A will be contained in child-resistant packaging.

Exterior and Interior Lighting

Per SMC §7.04.320(A)(1), M&A will utilize perimeter fencing and exterior lighting systems (including motion sensors) for after-hours security as approved by the Director in collaboration with the Sheriff's Department, as applicable. Motion-activated lighting will be installed to increase picture clarity and brightness and ensure proper surveillance during hours of darkness at all entry points, in low-light interior areas, and where all exterior cameras are located. All off-street parking areas, paths of travel, and building entrances to the premises of M&A will be illuminated during all hours of darkness with a lighting system that is directed downward and is designed to provide an average maintained horizontal illumination of at least one foot-candle of light in the parking surface and walkways. Lighting will cover all entrances and exits, all possible points of intrusion, sidewalks and adjoining sidewalks, facades, parking lots, immediate surrounding areas, and exterior walls of the retailer. All entrances, windows, and exterior doors will be fully illuminated during darkness to a minimum of 500 lux, comparable to a sunset. Indoor lighting within the facility will ensure safety and security for all patrons and visitors, including a backup power system that will deploy emergency lighting if needed. Indoor lighting will not impact security surveillance cameras, which are empowered with night vision, but indoor lights

will help clarify the footage. The lighting system will have a dependable auxiliary power source independent of the power system.

On-Site Security Guards and Hours

Guards provide onsite security during hours of operation. Security guards will maintain an overt, professional appearance and establish a peaceful, safe, and reassuring presence. This presence will discourage suspicious activity, criminal behavior, theft, and cannabis diversion. Security guards will also assist management with executing emergency procedures during events such as severe weather, evacuations, medical emergencies, robberies, active shooter situations, and power outages. Per SMC §7.04.320(B)(5), M&A will identify enough licensed security personnel to monitor the interior and exterior, the parking lot, and adjacent property under the business's control and to ensure that the parking lot is cleared of employees and their vehicles one-half hour after closing.

Per SMC §7.04.320(A)(10) and 4 CCR §15045, security personnel will be on-site 24 hours a day or alternative security as authorized by the City Manager and have a verified response security patrol when closed. Security personnel will be licensed by the State of California Bureau of Security and Investigative Services. It will be subject to the prior review and approval of the City Manager, with such approval not to be unreasonably withheld. Per SMC §7.04.360(D), uniformed, licensed security personnel will monitor site activity, control loitering and site access, and serve as a visual deterrent to unlawful activities. The security personnel will be at least 21 years of age and licensed by the Bureau of Security and Investigative Services. They will comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code. Security personnel may be allowed to carry firearms if authorized by the Bureau of Security and Investigative Services. The Sheriff or their designee will set the minimum-security staffing levels for M&A before opening and then through an annual review. Guards are subject to prior review and approval by the Sheriff or their designee.

If permitted, M&A may elect to utilize remote proactive video monitoring from a provider such as Knight Protection, Inc. Knight Protection, Inc. provides 24/7 real-time remote monitoring that connects with the facility's video surveillance system and uses computer vision software analytics to detect unauthorized activity. Once unauthorized activity is detected, an alert is sent to an investigation specialist at the monitoring center. The agent will then monitor the activity over a live video feed and determine the threat level and appropriate course of action.

The intervention specialist can speak directly to the intruder, advising them to leave the premises immediately. Hearing the personalized warning tells the intruder they are being watched and recorded on video. This live warning is effective in 98% of cases in convincing the intruder to leave the premises. In rare instances where the intruder is not deterred, the intervention specialist escalates the response. The intervention specialist will use pre-determined protocols to choose the proper response to the situation. This response may be

to notify law enforcement, alert senior management, or take another action. After setting corrective action in motion, the specialist will remain in video and audio contact with the incident until the site is fully secured.

M&A employs Knight Protection, Inc., at several of our locations for non-business-hours security monitoring and has seen remarkable results.

Per SMC §7.04.320(A)(2) and SMC §7.04.340(L), M&A will prohibit loitering by persons outside the facility both on the premises and within 100 feet of the premises. M&A will notify the Sheriff's Department if anyone continues to loiter around the building 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 promptly. Per SMC §7.04.320(A)(18), M&A will install "mosquitoes" (high-pitch frequency devices) as a deterrent to vandalism/loitering.

M&A's guards will prevent nuisances on the premises. Public nuisances include but are not limited to disturbances of the peace, public intoxication, illegal drug activity, vandalism, obstruction of the operation of another business, harassment of passersby, public urination, lewd conduct, drug trafficking, excessive loud noise, or any other behavior that adversely detracts from the quality of life for adjoining residents, property owners, or businesses. Every violation of the provisions of this chapter constitutes a misdemeanor and is hereby deemed unlawful and a public nuisance, per SMC §7.04.500. M&A understands that the City reserves the right to pursue any available legal remedy to address violations of this chapter.

Additionally, security guards will ensure that no person (i) consumes cannabis or cannabis products on the premises, (ii) stores, possesses, sells, dispenses, or consumes alcoholic beverages or tobacco products on the premises, (iii) lingers or causes others to linger on the premises without a lawful purpose, (iv) enter the premises if under the age of 21 except as allowed by 4 CCR §15400 and §15404 unless they are between 18 and 20 years old and have a valid physician's recommendation or county-issued Medical Marijuana Card before dispensing cannabis.

E. Emergency Contact Manager

Per SMC §7.04.320(B), M&A will identify a designated security representative/liaison to the City who will be reasonably available to meet with the City Manager regarding any security-related measures or operational issues. The designated security representative/liaison shall, on behalf of M&A, annually maintain a copy of the current security plan on the business premises, which will be presented to the City Manager upon request. Per SMC §7.04.340(F) and SMC §7.04.460(A), M&A will provide the City Manager with the name and telephone number of an on-site employee or owner to whom emergency notice can be provided at any hour of the day. Information for the liaison will also be available to law enforcement, businesses, and residences within 100 feet of the premises.

During the first year of operation pursuant to this chapter, the owner, manager, and community relations representative from M&A 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 from the implementation of this chapter, per SMC §7.04.460(B). After the first year of operation, the owner, manager, and community relations representative from M&A will meet with the City Manager when and as requested.

Youth Deterrence Plan

In Santee, M&A will develop a City-approved public outreach and educational program for youth organizations and educational institutions that outlines the risks of youth addiction to cannabis and identifies resources available to youth related to drugs and drug addiction, per SMC §7.04.460(C).

M&A is committed to implementing a robust Youth Deterrence Plan, employing various practices to prohibit youth from accessing cannabis on the premises, including strict age verification protocols, prominent signage, security measures, parental education initiatives, an anonymous reporting system, and regular staff training.

M&A will ensure all employees are regularly trained on the Youth Deterrence Plan. Training will cover recognizing fake identification and the legal consequences of providing cannabis to minors. M&A will also implement an anonymous reporting system, where individuals can report concerns about underage cannabis use. This will encourage community involvement and provide valuable information for preventative measures.

M&A will collaborate with the City Manager on a Youth Deterrence Plan, addressing associated costs, benefits, and community issues.

M&A will also engage youth prevention advocates in San Diego County and the City of Santee to feed into our planning and activities as a business. This is something we already do at M&A. As an example, M&A has worked closely with SAY San Diego regarding most of our facilities in San Diego County. They periodically meet with M&A to suggest changes in our advertising or operations, or to provide spot-check feedback which we welcome and support. We've additionally worked alongside SAY San Diego and other community groups in advocating or advising municipalities on local regulations that if implemented would ensure industry-wide adherence to practices that mitigate the risks of cannabis to youth.

This collaborative approach aims to enhance the plan's effectiveness over time.

The Youth Deterrence Plan will undergo continuous evaluations and adaptations, with a commitment to regular assessments annually for timely adjustments and improvements. M&A will implement any recommendations by the city or community regarding the Youth Deterrence Plan.

6. Employee Training & Policies

A. Background Check

Per SMC §7.04.080(B), all M&A owners, operators, investors, managers, and employees will be required to submit to a criminal background check for themselves and all persons in their employment. Using a vendor such as Creative Services, M&A will conduct background checks on prospective individuals before employment, including managers and all new owners. M&A requires all employees to report any new or pending charges or convictions, as convictions for violent crimes, fraud, and illegal cannabis sales, among other issues, are grounds for immediate dismissal.

M&A understands that, per SMC §7.04.080(C), the City Manager will conduct or cause to be conducted annual criminal background checks, which must, at a minimum, identify the following, as listed under SMC §7.04.080(C)(1-3):

1. Whether the owners, operators, investors, managers, and employees applying for employment have ever been convicted of a violent felony as defined by California Penal Code 667.5 or equivalent offenses in other States;
2. Whether the owners, operators, investors, managers, and employees have ever been convicted of a felony for hiring, employing, or transporting, carrying, selling, giving away, preparing for sale, or peddling any controlled substance; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor; or
3. Whether the owners, operators, investors, managers, and employees have ever been convicted of a felony for drug trafficking with enhancements pursuant to Section 11370.4 or 11379.8 of the Health and Safety Code.

Per SMC §7.04.340(K) and pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), every person listed as an owner, investor, manager, supervisor, employee, contract employee, or who otherwise works at M&A must submit fingerprints and other information deemed necessary by the Sheriff's Department, Licensing Division for a background check by the Sheriff's Department. Pursuant to California Penal Sections 11105(b)(11) and 13300(b)(11), no person will be issued a permit to operate M&A or be allowed to work in M&A unless they have first cleared the background check, as determined by the Sheriff's Department as required by this section. A fee for the background investigation, which will be the actual cost to the City to conduct the background investigation as it deems necessary and appropriate, will be paid when the application for a cannabis business permit is submitted. Evidence of a conviction of any of the offenses enumerated in Business and Professions Code Section 26057(b)(4), absent a Certificate of Rehabilitation, will be grounds for immediate disqualification of the applicant.

Per SMC §7.04.310(B) and SMC §7.04.320(B)(2), M&A will maintain a current register of the names and contact information (including the name, address, and telephone number) of anyone owning or holding an interest in M&A, and separately of all the officers, managers, employees, agents, and volunteers currently employed or otherwise engaged by M&A. The register will be provided to the City Manager upon a reasonable request.

Management will remove access and permissions to the dispensary if an employee is no longer employed. When an employee is terminated or suspended: M&A will ensure all passwords, key locks, and combinations of a terminated employee are changed upon termination; a terminated or suspended employee will surrender their security access card/identification badge immediately; and M&A will review with the employee the consequences of their actions and other fraudulent activity that could occur after the termination or during the suspension.

B. Training

Per SMC §7.04.340(H)(1), persons under the age of 21 years will not be allowed on the premises and will not be allowed to serve as a driver for a mobile delivery service. It will be unlawful and a violation of this chapter for any person to employ anyone who is not at least 21 years of age.

Per SMC §7.04.340(N), M&A will establish minimum training standards for all employees. The City Manager will have the discretion to require other training for the business operations should the City identify deficiencies or noncompliance issues with City or State requirements. Formal training will occur within thirty (30) days of the new hire's start date, annually thereafter, and will be accompanied by scheduled drills throughout the year. Management will oversee training, which includes Sapphire's online training course for the cannabis industry in robbery awareness, internal loss prevention, and detecting false identification. All managers will be required to complete the entire Sapphire training course, and other employees will be trained within their specific department's protocols.

M&A will actively educate employees on a standard response safety protocol system and use it to enable a rapid----- response during unforeseen events. M&A will standardize the protocol vocabulary so all employees will understand the response and status of the event. The standard response safety protocols will be understood and rehearsed by all employees and coordinated with local emergency responders. Per SMC §7.04.320(A)(17), all emergency access and evacuation plans will follow State and local fire safety standards. M&A will confirm that first aid supplies and operational fire extinguishers are in the service areas and the manager's office, pursuant to SMC §7.04.320(B)(3).

The City Manager will have the discretion to require other training should the City identify deficiencies or non-compliance issues with City or state requirements. M&A will ensure the health and safety of employees and contractors by complying with and training employees on protocols that implement established health and safety laws, including OSHA standards.

The safety training will include procedures for responding to scenarios that impact security and safety, including severe weather, fire, natural disasters, medical emergencies, and unauthorized intrusions. M&A will train general employees on topics including but not limited to:

- **Product Handling:** M&A will train employees about the various products for sale, including potency, absorption time, and responsible and safe use.
- **Burglary Protocols:** Employees will be trained to act based on the alarm location, establishment design, and potential threat of violence and to send police to the scene.
- **Robbery Protocols:** Employees will take online training outlining steps to get the robber(s) out of the store as quickly as possible.
- **Active Shooter:** M&A will employ tactics focused on protecting the safety of personnel and visitors on site. Employees will be trained in the “Run-Hide-Fight” protocol.
- **Fire Protocols:** Procedures will include responding to the alarm, notifying the Fire Department, evacuation and assembly procedures, re-entry protocols, and use of fire suppression equipment.
- **Preventing Intoxication:** Employees will be trained to recognize and respond to the signs of intoxication from alcohol, drugs, or cannabis.
- **Diversion Prevention:** Employees will be trained to identify and report signs of theft and diversion, including employees in unauthorized areas, using equipment not required for their role, and spending more than their salary would accommodate.
- **Standard OSHA-required programs:** Employees will be trained to prevent violence and harassment in the workplace, recognize hazards, and report and prevent accidents and injuries.

Preventing Theft and Diversion

M&A's employees will do their best to prevent the diversion of any cannabis or cannabis products. M&A will maintain effective controls and procedures to prevent unauthorized access, theft, or diversion of cannabis or cannabis products. M&A will always have a manager, assistant manager, or owner on the premises during hours of operation. To protect the premises for visitors, customers, patients, legal guardians, and employees, M&A will operate under a set of specific, written procedures that will be presented to employees upon hire.

Employees will pay close attention to all access points. Any door intended to serve as a barrier between the secured access areas of the premises will remain closed and locked except when an authorized individual walks through it. Employees will only have access to the portions of the facility that relate to their function at work, and this access will be scheduled. If M&A no longer employs an employee, the Store Manager will remove access and permissions to the premises.

All employees will be trained to identify and report signs of theft and diversion in conformance with local and state regulations. Examples include employees alone in areas without authorization and using equipment not required for their role. Signs of internal theft or diversion include employees accessing an area not assigned to them and/or employees removing anything from a limited area without supervisor approval.

Checking In and Out

All employees must notify security when they arrive and before leaving the premises. Security will oversee employees placing or removing personal belongings in their employee lockers. Each employee will be assigned storage lockers with a unique electronic lock combination. (Electronic locks eliminate the risk of duplicate keys and allow security personnel to override the lock with a master combination if there is evidence or detection of theft or diversion.) All packages or handheld items will be subject to search before entry or exit from the establishment. All new employees must sign acknowledgments that their belongings may be searched at any time while they are on the premises. Searches will only be authorized by management.

Opening and Closing Procedures

The facility has established procedures for opening and closing daily to ensure that the process is as safe and secure as possible. Opening and closing times are the most high-risk periods of the business day, and following these procedures carefully helps to significantly reduce the risk of theft, robbery, or other criminal activity that can put employees at risk.

At least two employees will always be present when opening and closing the facility. One person will remain in their vehicle while the other employee surveys the premises for signs of intrusion or damage. Having one person separate from the scene ensures that someone

can call for law enforcement if needed. After surveying the premises, the employee will unlock the doors, turn off the alarm system, and conduct a quick visual inspection of the interior for any signs of intrusion. At closing, security personnel will confirm that employees safely enter their vehicles. All opening/closing procedures will be detailed in the Employee Manual, which can be provided upon request.

Section D: Qualification of Owners

1. Business Owners' Prior Cannabis Experience

The M&A team has extensive experience operating in California's highly regulated cannabis market. We have been in business since 2018 and have successfully managed the licensed commercial cannabis facilities listed below.

We work collaboratively and transparently with local jurisdictions. We pay our taxes and vendors and strive to ensure our company benefits the local economy and community. References from local jurisdictions are available upon request.

A. Active California Cannabis Licenses Currently Under Ownership Control

DCC License #	Entity Name	Location	License Type
C10-0000076-LIC	Valley Greens Retail Outlet, Inc.	San Diego	Type 10: Storefront Retailer
C10-0000541-LIC	Imperial Greens Retail Outlet, Inc.	Imperial	Type 10: Storefront Retailer
C10-0000636-LIC	Honey Oil Collective	Vista	Type 10: Storefront Retailer
C10-0000778-LIC	City Heights Greens, Inc.	San Diego	Type 10: Storefront Retailer
C10-0000887-LIC	M&A Nirvana, Inc.	Chula Vista	Type 10: Storefront Retailer
C10-0000908-LIC	M&A Chula Vista, Inc.	Chula Vista	Type 10: Storefront Retailer
C10-0000984-LIC	M&A Imperial Beach, Inc.	Imperial Beach	Type 10: Storefront Retailer
C10-0001136-LIC	CVCC Retail, Inc.	Chula Vista	Type 10: Storefront Retailer
C10-0001266-LIC	M&A Sabre Springs, Inc.	San Diego	Type 10: Storefront Retailer
C12-0000224-LIC	Hotn Club	Palm Desert	Type 12: Microbusiness
C11-0000937-LIC	Kind House, Inc.	Santa Rosa	Type 11: Distribution
CDPH-10002270	CRFT Manufacturing, Inc.	Santa Rosa	Type 6: Manufacturing
CDPH-10004584	CRFT Manufacturing, Inc.	Santa Rosa	Type 7: Manufacturing

2. Management Team's Knowledge of the Cannabis Industry

The M&A team's deep roots in California cannabis are reflected in our track record as one of the State's leading cannabis retailers.

In our many years operating as a vertically integrated commercial cannabis company, we have led the industry in successfully implementing compliant, best-of-breed business practices, as showcased in our stellar track record and numerous awards.

March and Ash and CannaCraft are active members of various local and Statewide industry associations. However, it is our acceptance into non-cannabis community and industry associations that we are most proud of.

March and Ash is a founding member of the Joint Labor Management Committee for Cannabis for San Diego and Imperial Counties. The membership of this committee includes United Food and Commercial Work Union Locals and unionized commercial cannabis companies that operate the right way. This is the only labor-business management committee in the United States. The JLMC pursues joint programs such as training that benefit our workers as well as public policy at the State and local level. As an example, the JLMC spearheaded California's High Road Employer Tax Credits for cannabis companies that were put in place in 2023. These credits represent support from the State for companies that invest in their employee safety and wellbeing, recognizing the financial limits placed on the State's cannabis companies by federal tax laws.

We are proud that M&A was the first and remains the only cannabis company admitted to the California Retailers Association. Membership in the CRA includes some of the largest and most experienced retail companies in the United States.



March and Ash is active in the San Diego business community including our membership in the San Diego Regional Chamber of Commerce.

Below are short biographies of our key management team members for March and Ash Santee, Inc. However, the company consists of over 500 hard-working people performing a wide range of business activities. It's that team that makes M&A the best in class.

We have also provided an overview of our work in the advocacy space. As a nascent industry that is constantly battling the evolving illicit market, this advocacy is central to the who we are, and the value M&A will bring to Santee as it embarks on its cannabis journey.

A. Experienced Cannabis Leadership



Blake Marchand
Founder, Chief Executive Officer

Blake is the CEO of March and Ash, Inc. and March and Ash Santee, Inc. Prior to starting M&A, Blake founded, owned, and operated a successful local real estate brokerage in San Diego County. Blake was born and raised in El Cajon, CA, and attended Valhalla High School.

With a bachelor's degree in business administration from San Diego State University, Blake has applied his real estate background to diverse local business ventures. His success in each venture is rooted in his dedication to fostering positive relationships with clients and other business owners.

Blake has a particular passion for engaging with fellow entrepreneurs who share his vision that pride of business ownership is rooted in shared industry values. This is particularly true in cannabis, where Blake has consistently set the industry standard on matters that will ensure long-term success for the industry, the community, and the business.

These matters include transparent community engagement, treating our employees well, never cutting corners, and declining to push boundaries or cut corners in an industry that must be led as much by the community around us as the businesses in it.

Blake is passionate about providing customers with educated access to legal cannabis. Currently a licensed retail operator in multiple jurisdictions, Blake has developed a team of subject matter experts who are paving the way for the retail dispensary experience.

Blake is also a passionate animal advocate and has established partnerships between M&A and local animal shelters in San Diego County.

Blake lives with his wife and two kids in the Del Cerro community of San Diego, where he coaches baseball.



Jon Saco
Founder, Chief Operating Officer

Jon is a well-seasoned retail operator and founder of March and Ash, Inc. and serves as its Chief Operating Officer. He will serve as the Chief Operating Officer of March and Ash Santee, Inc.

Jon was born and raised in Jamul, CA, and still maintains a residence there with his daughter Adia. Growing up in East County, Jon managed Romeo's Car Wash in El Cajon (at the intersection of Jamacha / Second and Main Street).

Since opening the March and Ash flagship dispensary in Mission Valley, Jon has developed industry-leading processes and procedures that have led to recognition locally and nationally as best in class.

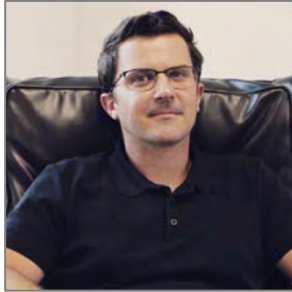
In 2023, Jon also took over as Chief Operating Officer of CannaCraft, overseeing all aspects of cannabis manufacturing and distribution operations for our in-house brands and third-party brands. In this capacity, Jon is recognized as designing and implementing various now widely utilized structures in legal cannabis for compliantly distributing and delivering cannabis to retail outlets and customers. These structures include M&A's centralized distribution system serving all its retail outlets and the adoption of AI and other technology in cannabis facility security systems.

Jon is well-known in the industry for his expertise in cannabis, product quality, product pricing, and retail operations. Through his work in the cannabis industry, he has developed deep relationships with key vendors in Southern California and an understanding of the unique features of the cannabis customer/market.

From 2021 through 2023, Jon partnered with the City of San Diego Community College to design, implement, and teach the first state-approved course on cannabis titled "Cannabis 101," which is described further in our application to the City of Santee. From that experience, Dr. Leroy Brady, the head of the business department for San Diego Community College, joined the March and Ash board of directors and is a close advisor to Jon and the company on all aspects of the business.

Jon has a deep passion for cannabis education within our workforce and the greater community. He has the same passion for East County.

In 2023, Jon funded the restoration of little league fields in Jamul, California, where he played as a child and where his family still lives. This included the complete rebuilding of the league's "Minor C" field and a new batting cage for the community, aptly named the Romeo Saco Field after his late brother.



Breton Peace
Chief Financial Officer and General Counsel

Bret has substantial experience representing governments and businesses in highly regulated industries, domestically and internationally.

Bret is the CEO of Groundwork Holdings, Inc., and will act as the CFO of March and Ash Santee, Inc.

He's worked closely with both private and public stakeholders in the cannabis industry to demonstrate legal compliance and take on illicit activities and bad actors.

Bret continues to act as general counsel for a public-private partnership in the West Mojave Desert that includes the United States Department of the Interior, the United States Navy, private cattle ranchers, and environmental conservation groups. The project represents the most significant public-private conservation project in the United States, spanning more than 300,000 acres of public and private land under the BLM's multi-use mandate to preserve cattle ranching in California's Mojave Desert.

For nearly 15 years, Bret has provided legal and strategic advice to the Emirate of Abu Dhabi, United Arab Emirates, on matters pertaining to its nuclear power program. Bret previously practiced law at the international law firm of Latham & Watkins in its global finance and corporate practices, focusing on highly regulated industries, including energy and telecommunications.

Bret received his BA in religious studies from Stanford University and his JD from the University of Michigan. At Michigan, he was the recipient of the University of Michigan Law School's most prestigious academic scholarship, the Clarence Darrow Award, and graduated *cum laude* with special honors for the top marks in civil procedure and corporate crime.

Bret resides in the East County community of Jamul with his wife, Noel, and four kids (ages 4, 9, 11, and 13). His oldest kids attended Riverview Elementary School in Lakeside. Bret attended Valhalla High School in El Cajon, CA where he was a classmate of Blake and Jon.

In his free time, Bret is a coach in Jamul Little League and a member of its board of directors, serving as the Umpire in Chief (and he umpires throughout East County as a volunteer). He is also a coach for the Rancho Hills Titans pop warner program 9u tackle football team in El Cajon. He spends many evenings in Santee either at practices for youth flag football or to attend games at the Santee River Park complex.

Jeff Hornsby
Controller

Jeff serves as the Chief Financial Officer of Groundwork Holdings, Inc. and will serve as the controller of March and Ash Santee, Inc.

With over 30 years of experience in Information Technologies, Finance, and Accounting, Jeff is a distinguished leader in finance and accounting in the Cannabis industry. His career has traversed various industries and corporate stages, from entrepreneurial startups to billion-dollar enterprises. He possesses a wealth of knowledge in budgeting, forecasting, financial modeling, strategic planning, and successful systems implementation. Jeff's professional journey includes significant roles, such as Chief Financial Officer at American General Resources, where he played a pivotal role in overseeing remarkable growth and business transformation. Prior to this, he held key positions at Epicor Software Corporation, Brocade Communications, and Williams-Sonoma.

Beyond his impressive professional track record, Jeff has been happily married to his wife, Leann, for 23 years, and they share the joy of raising three children, aged 36, 22, and 15, in Northern California.

Tiffany Devitt
Director of Regulatory Affairs

Tiffany serves as M&A's Director of Regulatory Affairs. She is responsible for operationalizing the many cannabis rules and regulations at M&A in support of a safe, secure, and compliant workplace.

An industry thought leader, she was a long-time board member and vice-president of the California Cannabis Industry Association and chaired that organization's Legislative Committee from 2018 - 2023. As such, she's been the driving force behind numerous regulatory and legislative reforms and has authored dozens of articles and white papers on cannabis issues.

Tiffany represents M&A on the Joint Labor Management Committee for Cannabis in San Diego and Imperial Counties, the only cannabis-oriented JLM in the country, and is spearheading the establishment of a cannabis subcommittee under the umbrella of the California Retailers Association.

James Renner
Community Liaison

James has partnered with March and Ash for this project in Santee. James will provide the project with knowledge of the community as well as firsthand experience building and operating businesses in the City of Santee.

James has been involved in the Santee community since 1977, attending Santee Elementary School and Santee Junior High School before attending San Diego State University. James' family still lives in Santee, and he currently owns seven (7) industrial buildings in Santee and another twelve (12) in El Cajon.

James has served on the Board of Directors for the East County Boys and Girls Club for over 20 years and was instrumental in building the Conrad Prebys Santee Clubhouse. As a Santee native, James brings invaluable experience on how M&A will interface with the community and ensure we operate in a manner consistent with Santee values. James will bring his local knowledge to our ownership team and guide the company's philanthropic efforts in the community.

B. Policy Engagement

M&A is well respected for working closely with municipalities, the State of California, and the U.S. Congress on matters of public policy that are important to safeguarding the communities we serve. Our tireless efforts have had a significant positive impact on public health in two key areas.

Curtailing the Sale of Unregulated, Intoxicating Hemp Products to California Youth

Today, it is common knowledge that the sale of highly intoxicating "hemp" products outside the regulated cannabis market is an urgent threat to California youth. Rife with contaminants, chemical byproducts, and synthetic designer drugs, these unregulated counterfeit cannabis products are often more powerful than anything available in licensed dispensaries. They are sold online and in convenience stores, gas stations, and smoke shops without age gates, testing standards, packaging and labeling requirements, marketing limitations, or even a proper understanding of their potential effects on consumers. It's a public health disaster and has resulted in a sharp increase in hospitalizations.

Four years ago, few people were aware of the emerging public threat. March and Ash's Director of Regulatory Affairs, Tiffany Devitt, saw the dangers to the community and spearheaded a national effort to raise awareness of the urgent need to close federal and state loopholes that were being exploited to deceive California consumers.

- **Thought Leadership:** In August 2021, Devitt authored a White Paper entitled "Pandora's Box: The Dangers of a National, Unregulated, Hemp-Derived Intoxicating Cannabinoid Market." (Attached as Appendix A.) Published by the California Cannabis Industry Association (CCIA) and widely distributed, the paper outlined the federal legislative and judicial origins of the problem, explored the science behind synthetic cannabinoids, documented the risk to children and unsuspecting consumers, and outlined actions needed to avoid a national public health crisis.
- **Federal Engagement:** In 2023, Devitt responded to the *Congressional Request for Information on a Potential Regulatory Pathway for Hemp-Derived CBD*. (Attached as

In it, she educated federal policymakers on the market dynamic, science and safety issues, and proposed practical pathways for addressing them. The publication, *Benzinga*, characterized her as one of “two pivotal voices. . . shedding light on the complexity and urgency of the situation.”¹¹

- **State Engagement:** Representing CCIA, Devitt worked with Assembly Majority Leader Aquiar-Curry to sponsor AB 45 (2021), which imposed guardrails around hemp commerce in California. This legislation later provided a critical basis for subsequent regulatory and enforcement action by the state of California.
- **Community Engagement:** In 2024, Devitt worked with a broad coalition of diverse stakeholders to advance the efforts to stop the sale of intoxicating hemp in California, including:
 - **Unions:** United Food and Commercial Workers (UFCW) and Service Employees International Union (SEIU).
 - **Educators:** California Federation of Teachers (CFT) and California Coalition of School Safety Professionals
 - **Business Associations,** including the California Retailers Association
 - **Law Enforcement,** Los Angeles School Police Association, LA School Police Management Association, Riverside Sheriffs’ Association, Placer County Deputy Sheriffs’ Association, Deputy Sheriff Association of Monterey County, and the Police Officers Association (POA) for Santa Ana, Riverside, Burbank, Culver City, Pomona, Fullerton, Corona, Novato, Newport Beach, Claremont, Palos Verde, Murrieta, Arcadia, and Upland
 - **Youth Advocacy groups,** including Youth Forward, Social Advocates for Youth, and Public Health Institute

The tireless efforts over the years culminated in the Governor of California issuing emergency regulations in October 2024, banning these products in the State of California, an outcome March and Ash is proud to have played a role in achieving by standing with our community partners.

Closing the Gaps in Product Testing in California’s Regulated Cannabis Market

California has some of the most stringent cannabis testing standards in the country. Every batch must be screened by a testing lab licensed by the California Department of Cannabis Control (DCC). Before being placed on dispensary shelves, every product must be certified as free from adulterants, contaminants, and dangerous pesticide residue.

¹¹ <https://www.benzinga.com/markets/cannabis/23/08/33967676/congresss-big-hemp-and-cbd-debate-safety-or-profit-at-stake>

Nonetheless, a June 2024 article in the *Los Angeles Times* reported that some legal cannabis products were contaminated with pesticides, suggesting that some testing labs were providing inaccurate results or failing to sample products correctly.

The report that gaps existed in the state's testing system shocked many. We, however, were unsurprised as we had been working with the state on this issue for months. Nine months earlier, we decided to tackle persistent rumors of lab fraud by conducting our own independent investigation. We tested over 200 cannabis products, examining three aspects: pesticide contamination, THC potency accuracy, and the presence of (illegal) chemically synthesized THC.

We discovered that a small number of labs and brands accounted for a significant number of testing errors that allowed adulterated products to get to market. While eschewing any PR, we quietly prepared and reviewed our results with DCC leadership, providing access to our test results and methodologies as requested. We also offered concrete, low-cost recommendations for improving lab oversight.

The result was swift action. The DCC has since recalled hundreds of products contaminated with pesticides, mold, arsenic, and other contaminants. They've also revoked or suspended the licenses of labs with a pattern of reporting inaccurate results. We've also seen other retail chains initiate their own confirmatory testing programs.

Our cooperative approach and commitment to self-regulation were instrumental in protecting the integrity of California's cannabis testing framework.

C. Taking the Fight to the Bad Guys to Protect Communities and Industry

M&A has taken a leading role within the industry to combat illicit activities negatively impacting communities and the nascent legal industry.

In 2018 and 2019, unlicensed cannabis dispensaries ran rampant in San Diego County, centered in the communities of Spring Valley, El Cajon, and Lakeside (generally in areas within unincorporated San Diego County).

In 2019, March and Ash took the lead in combating these facilities by filing a civil complaint against multiple defendants for anti-racketeering, false advertising, and unfair competition.¹² The lawsuit, together with our support for actions taken by San Diego County led by Supervisor Joel Anderson, successfully shut down c. 30 unlicensed cannabis

¹² See <https://www.ganjapreneur.com/cannabis-brand-sues-convicted-sheriffs-captain-over-illegal-cannabis-trade/>; See also <https://voiceofsandiego.org/2021/08/19/legal-marijuana-shops-are-taking-on-the-black-market/>

dispensaries in East County, many of which were ultimately subject to criminal prosecution by the U.S. Government.¹³

Currently, M&A is pursuing a civil case for unfair business practices and false advertising against companies and individuals distributing and selling highly intoxicating hemp-derived cannabinoid products in violation of current State and Federal Laws.¹⁴

This lawsuit has successfully led law enforcement to shut down multiple storefronts selling these dangerous and illicit products in San Diego County while exposing that some of the worst offenders are companies engaged in the “legal” cannabis industry.¹⁵

D. Publications

M&A team members have published widely on topics related to public safety:

- Californians Deserve Safe, Quality Cannabis: An Industry Response to ‘Dirty Weed,’ *SF Gate* (July 2024)
- A Decade of Mainstream CBD: What Have We Learned? (*Green State*, April, 2024)
- Industry-promoted Misinformation on Intoxicating Hemp (*Project CBD*, March 2024)
- Here’s How a Policy Loophole Is Leading to More Poisonings from Unregulated THC, *The San Diego Union-Tribune* (September, 2023)
- Response to the Congressional Request for Information on a Potential Regulatory Pathway for Hemp-Derived CBD, *Congressional Record* (August 2023)
- Pandora’s Box: The Dangers of a National, Unregulated, Hemp-Derived Intoxicating Cannabinoid Market, *CCIA White Paper* (October 2022)
- California’s Lab Results Put to the Test, *WeedWeek* (August 2022)
- Bag the Tags! California’s Eco-Absurdity, *Project CBD* (June 2022)
- California Patients Still Fighting for Medical Access, *WeedWeek* (April 2022)
- Now Is Not the Time for Interstate Marijuana Commerce, *MJ Biz Daily* (March 2022)
- Banning Retail Cannabis Outlets Fuels Illicit Market, *Cal Matters* (December 2021)
- With First Local Contract Secured, Unions See Fertile Ground in Cannabis, *Voice of San Diego* (May 2021)
- CBD Needs to Make Sense, Not Just Dollars, *Benzinga* (September 2020)
- Close to Home: Cannabis Is an Essential, But Unsupported Business, *Santa Rosa Press Democrat* (May 2020)

¹³ See <https://www.justice.gov/usao-sdca/pr/former-sheriff-s-captain-sentenced-prison-illegal-gun-deals-and-corruption>; See also https://151farmers.org/wp-content/uploads/2018/04/21-07-06_Valley-Greens-Retail-Outlet-v-Garmo-et-al-Civil-Complaint.pdf

¹⁴ See <https://www.sandiegouniontribune.com/2023/10/14/licensed-san-diego-cannabis-companies-go-to-court-to-challenge-sellers-they-say-are-illegally-eating-into-profits/>; See also <https://mjbizdaily.com/california-marijuana-operators-sue-rivals-selling-hemp-derived-thc-products/>.

¹⁵ See <https://www.cbs8.com/article/news/local/cannabis-store-owners-charged-with-felonies/509-08df756e-3f9a-446e-9bbe-f71ae34410d8>

- Misinformation on Cannabis, CBD, and COVID, *Project CBD* (March 2020)
- Comments to the Food and Drug Administration on CBD and Cannabis, *Regulations.gov* (March 2020)
- Something's Gotta Give: Without Cannabis Tax Reform, the Regulated Market Will Be Crushed, *California Marijuana Policy* (April 2018)

3. Ownership Team's Involvement in Day-to-Day Operation

As detailed above, the M&A ownership team has extensive experience in all facets of commercial cannabis operations. Our leadership is intimately involved in everything from permitting and construction to staffing, product procurement, marketing, and customer service. More specifically:

- **Blake Marchand, Chief Executive Officer:** Blake will manage all aspects of the construction process, working with our general contractor and team. During operations, Blake is responsible for market analysis and exploration, merchandise decisions, apparel design, building maintenance, and facilities management.
- **Bret Peace, Chief Financial Officer and General Counsel:** Bret oversees regulatory and legal affairs, labor relations, and finance and accounting. He will oversee all aspects of permitting and licensing, working with the City and State. Working with Jeff Hornsby as the project controller, Bret will be responsible for all financial controls, accounting, and reporting both internally and to external stakeholders, including managing the community benefit fee process with the City.
- **Jonathan Saco, Chief Operating Officer:** Jon oversees all day-to-day operations, including vendor relations, product pricing and procurement, manager training, security, staffing, cash management, and banking relationships. The store manager and regional manager will work closely with Jon as the Chief Operating Officer to ensure the policies and procedures set by Jon as the Chief Operating Officer are implemented and to resolve emergent issues and needs at the store.
- **James Renner, Community Liaison:** During construction James will support Blake in overseeing construction of the store. Throughout the project's life James will ensure March and Ash Santee, Inc. fully engages with the local Santee business community. This includes engaging with community leaders during the construction and operating process to address concerns around potential negative impacts from legal cannabis operations and our commitments to mitigate those impacts.

Section E: Neighborhood Compatibility Plan

1. How the Business Will Avoid Negative Community Impacts

A. Community Liaison, Engagement, and Transparency

M&A will minimize negative impacts on the community and surrounding neighbors by strictly adhering to its operational procedures and using a dedicated community liaison to address complaints and concerns promptly.

Overall, the community liaison's role is to ensure that M&A operates harmoniously with the community by swiftly addressing complaints, mitigating potential negative impacts, and fostering open communication.

Quarterly community meetings or feedback sessions will allow us to proactively address issues before they escalate.

The designated community liaison's contact information will be readily available to the public through our website, social media channels, and in-store literature.

If required by local regulations or requested by the City of Santee or the San Diego County Sheriff, we will provide the City or the Sheriff with real-time access to our security cameras for public safety reasons.

B. Nuisance Mitigation Measures

- **Noise:** We do not anticipate noise being an issue; however, the community liaison, on-site security personnel, or store manager can promptly respond to noise-related complaints. Noise complaints are most common in the evening and night hours. We will ensure noise levels (including in-store music) are kept at an appropriate level and will discourage loitering outside of the facility, as detailed below.
- **Light:** Exterior lighting will be designed and installed to maximize perimeter security while minimizing light pollution to our neighbors. This includes installing motion-detected, hooded lighting fixtures on the facility exterior and testing such lighting regularly to ensure the range of light visibility is confined to the property. Should complaints arise related to lighting, the liaison and facilities manager may work to adjust the angle or luminosity of lights to prevent glare into neighboring areas while maintaining safety.
- **Odor:** In accordance with California State Law, all cannabis products delivered to our dispensaries come in sealed packages. As such, the potential for odor issues is limited. Nevertheless, all our stores have an engineered odor control system in deference to our neighbors. Specifically, our stores include a built-in carbon-

filtration air treatment system. This system, which represents the best available technology today, keeps the facility under negative pressure through an exhaust system that utilizes a high-velocity outlet to eject exhaust up and away from neighbors or pedestrian traffic.

Additionally, all doors are sealed with proper weather stripping, and windows are kept sealed. On-site usage of cannabis products is strictly forbidden. All employees are trained to detect, prevent, report, document, and remediate odor outside our facility. The manager on duty is responsible for assessing and documenting daily odor impacts. We will provide neighbors with an Odor Detection Form (ODF) and contact number for our community liaison to report odors emanating from the store. The liaison must promptly investigate odor detection reports. Our facilities management team is on call to take immediate action when repairs are needed. We maintain records of all odor detection notifications and complaints and the remediation measures deployed. These records are available to the public.

- **Public Consumption:** The liaison and senior store staff will educate the community and customers on the rules around public consumption, reinforcing that consumption is prohibited in public areas around the dispensary. They will respond to reports of public consumption and collaborate with security personnel to monitor and prevent it, ensuring compliance with laws and maintaining the area's safety. If an M&A associate discovers that a visitor, customer, or employee is consuming cannabis on the premises, the associate will inform the individual of the 'no consumption on-site' policy and will request that they immediately stop. The associate will alert management if the visitor or customer does not comply. Management may take the following steps, including, but not limited to, escorting the offender off the premises, notifying law enforcement, and prohibiting the person from making future visits and/or purchases.
- **Loitering:** The liaison will be responsible for addressing concerns related to loitering by working with dispensary security and senior staff to prevent congregating outside the facility. M&A will identify enough licensed security personnel to monitor individuals inside and outside M&A, the parking lot, and any adjacent property under M&A's control and to ensure that the parking lot is cleared of employees and their vehicles one-half hour after closing. M&A will employ uniformed, licensed security personnel to monitor premises activity, control loitering and premises access, and serve as a visual deterrent to unlawful activities.
- **Littering:** M&A will coordinate regular clean-up efforts around the dispensary and install appropriate signage and trash receptacles to encourage customers to dispose of litter properly. In response to complaints, the liaison may also organize swift removal of any litter, maintaining a clean and respectful environment for neighbors. The monitoring and removal of littering is a defined task that employees are

responsible for carrying out daily in accordance with the daily inspection checklist shown below.

- **Traffic:** Monitoring vehicle traffic and ensuring adequate capacity is paramount to ensuring the business does not become a nuisance to our neighbors. This is why M&A has proposed a location with ample parking. Additionally, M&A will install clear, legible wayfinding signs in the parking lot to avoid traffic buildup. Staff and security personnel will monitor the parking lot to ensure spaces are used efficiently and prevent unauthorized vehicle access and loitering. M&A also looks forward to promoting our finely tuned delivery service for this location, giving customers a highly effective alternative to shopping in-store. We expect that the availability of a quick and reliable delivery option will balance out the number of customers visiting the site to shop in person and reduce the overall vehicle traffic to the business.

C. Site Maintenance

M&A conducts daily inspections at all our retail facilities to maintain the interior and exterior of the facility, keeping it free of trash, graffiti, and any other issues that may affect the cleanliness and aesthetics of the premises. Daily inspections are typically conducted by the store manager or shift lead before opening. The Inspection Checklist includes the items listed below and additional items as required by the local jurisdiction:

Exterior Maintenance

- ☐ Check sidewalks and parking lots for trash, debris, or safety hazards.
- ☐ Check the building facade for graffiti, leaks, damage, or signs of an attempted break-in.
- ☐ Verify landscaping is well-maintained and free of litter.
- ☐ Ensure signs are clean and in good condition.
- ☐ Confirm lighting is working and hooded correctly so as not to disturb neighbors.
- ☐ Check for odors.

Interior Maintenance

- ☐ Check the sales floor for cleanliness, organized displays, and safety hazards.
- ☐ Ensure restrooms are clean, adequately supplied, and functioning.
- ☐ Verify surveillance cameras and alarms are operational.
- ☐ Confirm all lighting and exit signs are working correctly.
- ☐ Confirm fire extinguishers are accessible and maintained.
- ☐ Ensure trash bins don't contain cannabis waste and are emptied as needed.
- ☐ Ensure any cannabis waste is stored and disposed of per state and local laws.

If an issue is identified during the Daily Inspection, the lead inspector is responsible for:

- Documenting the issue in the Daily Inspection Incident Log.

- Contacting the in-house Facilities Management team to make any repairs.
- Notifying the operations and the compliance team as needed.
- Updating the Daily Inspection Checklist based on changing circumstances.

2. Youth Prevention Policies & Procedures

“In a recent study by the American Academy of Pediatrics, data from poison centers across the nation found a 1,375% rise in accidental cannabis ingestion among children under the age of 6 between 2017 and 2021. The national data resonates with multiple state-level studies showing a correlation between cannabis legalization and an increase in children ingesting THC-infused edibles. Between 2010 and 2020, edible exposures reported to the California Poison Control System (CPCS) increased from near zero to 79%. In tandem, cannabis toxicity is becoming more common in pets also. In the past six years, calls about marijuana poisoning to the Pet Poison Hotline have increased by 400%, with most calls reported in California and New York in a report from The New York Times. Last year, the American Society for the Prevention of Cruelty to Animals’ Poison Control hotline fielded nearly 7,000 calls for cannabis toxicity, an 11 percent increase from 2021.”

– The Star News, Non-profit’s campaign emphasizes safely storing cannabis
May 6, 2023¹⁶

Youth deterrence starts with the customer you consciously target and the customer you consciously avoid. That manifests mainly in marketing. While we ensure we cater to all legal demographics in our products and pricing, our target demographic is parents and working professionals between the ages of thirty-five and seventy. This is evident if you visit any of our locations and clear in our marketing. We do not produce marketing that is sexualized or targets teenagers. Our commitment to protecting youth is evident in everything we do. We have a long track record of being the first and sometimes only cannabis company in San Diego willing to acknowledge risks to youth, modify our operations on advice from youth advocates, and stand side by side with community leaders who are seeking sensible changes in regulations that would further protect youth from unintended consequences of cannabis legalization.

M&A’s operating philosophy centers on *responsible adult use*. We believe our job is to listen to the experts in the medical and prevention fields, respond to their data, and be a willing partner in their efforts to protect our communities.

Towards that end, we meet regularly with our local prevention community to discuss issues. We have formed partnerships with community stakeholders who share our concern that some in the industry are racing to “mainstream cannabis” without regard for the risks or the willingness to make investments in mitigating them. We take concrete action to improve public safety.

¹⁶ <https://www.thestarnews.com/non-profits-campaign-emphasizes-safely-storing-cannabis/>

For example:

1. All our marketing materials state that our staff are not medical professionals, and consumers should seek the advice of a physician or qualified healthcare provider on their cannabis use, especially if they are using products for medical reasons.
2. We proactively educate consumers on the potential risks of consuming cannabis, including addiction, pregnancy harms, driving under the influence, adverse psychiatric reactions, and cannabinoid hyperemesis syndrome. We are unique in our willingness to publish such warnings on our consumer-oriented digital platform. All marketing materials include a link to this information at marchandash.com/risks.
3. In early 2023, we worked with a local youth prevention organization, Social Advocates for Youth, to launch a Public Service Announcement (PSA) campaign called Stash Your Stash. The campaign educates consumers on the critical need to securely store cannabis products to prevent accidental exposure to youth and pets.
4. We distribute stickers to our customers with friendly reminders (shown below) to dose carefully, drive sober, and stash their stash.
5. We were the only cannabis business in San Diego to support a local ban on cannabis billboard advertising.¹⁷



¹⁷ <https://www.sandiegouniontribune.com/communities/san-diego/story/2020-01-14/san-diego-cracks-down-on-marijuana-billboards-but-critics-want-more-aggressive-restrictions>

When it comes to ensuring that the products we sell do not end up in the hands of youth, we implement strict protocols and emphasize to our staff the importance of only serving adults over the age of 21 or individuals 18 and over with a valid physician's recommendation. These policies include:

- **ID verification prior to store access:** Upon entering the dispensary, our reception staff verifies the ID of the individual seeking access to the sales floor. The reception staff is trained to examine the authenticity of the ID presented, ensuring that the ID is current, the picture on the ID matches the individual presenting the ID, and the person is 21+ or 18+ with a valid physician's recommendation.
- **Ensuring all products are sealed in child-resistant packaging and not attractive to youth:** At each store we operate, dedicated staff is tasked with intaking product shipments and processing them in our system before being added to our inventory stock. Staff responsible for order intake are trained to ensure the products we receive comply with all applicable State regulations before accepting the order. This includes ensuring the packaging is child-resistant and tamper-sealed, pursuant to Department of Cannabis Control regulations §17412. If products do not comply with these regulations, the order is rejected and returned to the distributor. Likewise, products are examined before being accepted for compliance with Department of Cannabis Control regulations §15040, which states that the advertising and products themselves shall not be attractive to youth. Making sure that products do not contain images attractive to youth, cartoons, or words such as "candy" is part of this compliance check.
- **Strict adherence to daily purchasing limits:** As far as the in-store policies that we employ to prevent underage access to cannabis products go, we understand that we can only do so much once a legal sale of cannabis products leaves our store. In addition to our responsible use marketing platform, public service announcement campaigns, and partnerships with youth prevention groups, M&A also strongly believes in upholding the daily purchasing limits ordained by state regulations to mitigate the potential for improper cannabis sharing outside of our walls. Our POS system, Blaze, functions with this in mind. When customers present their ID to our reception staff before entering the sales floor, they are entered into Blaze, and a customer profile is created. When the customer has completed their shopping and is checking out at the register, their profile is linked to the order, and the system prevents any sale that would exceed the daily limits set by the State (DCC Code of Regulations §15409). This information is retained, and if the customer returns later that day, they would still be unable to exceed the daily limit.

Section F: Community Benefits and Investment Plan

1. Benefits the Business will Provide the Community

M&A is the industry leader in corporate contributions. Our corporate giving program varies by jurisdiction but always centers around volunteerism, charitable giving, and sponsorships, which are sensitive to our industry's controversial nature.

Our 3-Year Pro Forma in our Business Plan for this project assumes a minimum of \$4,000 per month will be spent on community investments in Santee. This is in addition to corporate level contributions we often make to local charitable causes or to support community events.

We typically support local nonprofits focusing on cancer care, veterans' issues, food banks, housing, animal rescue, and youth advocacy. But being a good community member means being a good listener. So, we will meet with our neighbors and community stakeholders to better understand the community's priorities and needs.

Below are a few examples of M&A's corporate giving programs in other jurisdictions:

- Since our inception, we have worked with the Cancer Resource Center of the Desert and Weed for Warriors to provide cancer patients and veterans with discounted and donated cannabis products.
- In the City of Vista, we have anonymously sponsored the Jingle Terrace Park holiday event for five years and donated all marketing and branding to the North County Food Bank, the largest hunger relief organization in the region.
- In Imperial Beach, we supported a new local food co-op by purchasing memberships for all our employees.
- In City Heights, our employees regularly participate in park clean-up events in partnership with the Columbus Club of San Diego.
- In San Diego, our workers joined a UFCW-led delegation in the city Pride Parade.
- We sponsored the first-ever 4th of July drone light show in Imperial Beach.
- We sponsored the Burn Institute's Firefighter Demolition Derby in San Diego.
- In San Diego County, we are the lead Adopt-a-Highway sponsor for the South Bay.
- In Chula Vista, we were the lead sponsor of the City's "State of the City" address.
- At all our locations, we host annual food drives in partnership with Feeding San Diego, North County Food Bank, and Imperial Valley Food Bank.

We are proud of these efforts and commit to supporting local nonprofits and community-based organizations in Santee. We're also proud of our historical support for the Santee Firefighter's Association. Below are letters of support from local non-profit organizations we currently work with.

Letter of Support Moonlight Culture Foundation



PO Box 2497 | Vista, CA 92085 | (760) 630-7650
www.moonlightstage.com

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To: City of Santee

October 1, 2024

To Whom It May Concern,

I am writing to you on behalf of the Moonlight Cultural Foundation, and our partners, the City of Vista, in support of March & Ash. I first approached the March & Ash team in the Fall of 2020 with an opportunity to underwrite a community outreach initiative that we were creating in response to the Covid-19 pandemic. We were thrilled to have March & Ash quickly jump on board and give generously to the event. Since that time, they have continued to be a primary contributor to the project, enabling us to offer this special holiday event at no cost to our community members.

In addition to their generous financial support, each year they have elected to decline all event benefits and public acknowledgement for themselves, and instead have given those benefits to a local nonprofit organization, most recently the North San Diego County Food Bank.

March & Ash's commitment to corporate social responsibility is clear and they have been both good business and community partners. We are fortunate to have them here in Vista.

Please feel free to reach out to me directly if you would like more information.

Kind regards,

A handwritten signature in black ink that reads "J Bradford".

Jennifer Bradford
Executive Director
jennifer@moonlightfoundation.com
760-630-7650

Moonlight Cultural Foundation is a 501(c)(3)
not-for-profit organization. Tax I.D.# 23-7359530.

Letter of Support Cancer Resource Center of the Desert



October 16, 2024

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Patient Navigator II
Terry Swing
Certified Patient Navigator

Re: Letter of Support for March and Ash Application for Storefront in the City of Santee

To Members of the City of Santee Review Committee:

I am writing to provide my support for the March and Ash application for a storefront in the City of Santee. The Cancer Resource Center of the Desert (CRCDC) which is located in El Centro, California, is the only agency providing a comprehensive cancer Patient Navigation program in Imperial County. CRCDC is also contracted with El Centro Regional Medical Center's Oncology Clinic to provide cancer Patient Navigation services. My staff and I are sensitive to the complex needs our cancer patients have and their interest and request for complementary treatment that is safe, professionally provided, affordable, and accessible. CRCDC provides our cancer patients education and information on what cannabis is and how it is used as a complementary treatment to their ongoing cancer treatment. As a 501(c)(3) Non-Profit Organization, part of CRCDC's role is information and referral for complementary treatment resources for cancer patients available locally and out of county. Currently, March and Ash in the City of Imperial has been an effective resource for our patients and has created a special program specifically for CRCDC cancer patients by providing a medical recommendation card at no cost to the patient, providing discreet affordable access to cannabis at a cost of \$.01 cent on a bi-weekly basis, and a special in-store discount if the patient wants to purchase something else in their store. The feedback from our patients has been very positive and have expressed great appreciation for the March and Ash team's knowledge and great customer service.

Should March and Ash be awarded the storefront license in Santee, you will be facilitating ease of access to complementary treatment for cancer patients and other persons experiencing other medical conditions.

Sincerely,

Helen Palomino, LCSW, CEO
Cancer Resource Center of the Desert
444 S 8th St. Suite B3, El Centro, CA 92243

2. Minimum Wages the Business Will Provide Employees

M&A is committed to offering highly competitive compensation. In addition to competitive wages with starting salaries consistently above local, state, and Federal minimum wage (plus tips), the company offers all full-time employees health, dental, vision, and life insurance after a three-month probationary period. All employees accrue sick and paid time off hours. We also offer a 401 (k) retirement plan.

A. Wages

For non-management employees, wages will always *start* at least \$1 above the minimum wage in that jurisdiction (\$17.85/hour for the City of Santee). After the first year of employment, employee wages are increased by an *additional* \$1 above the starting rate (at least \$2 above the minimum wage). All employees who have worked continuously with M&A receive an annual wage increase of \$1 and are eligible for an additional merit-based increase for exceptional performance.

The table below is based on the San Diego County 2024 minimum wage of \$16.85 per hour. When it increases to \$17.25 in 2025, wages will be adjusted accordingly.

Position: Order Expeditors, Sales Associate, Receptionist, Delivery Driver		Min/Baseline Wages	Position: Lead Expeditor, Floor Lead		Min/Baseline Wages
Start Hourly Rate		\$17.85 hr.	Start Hourly Rate		\$20.35 hr.
Year 1 Hourly Rate		\$18.85 hr.	Year 1 Hourly Rate		\$21.35 hr.
Year 2 Hourly Rate		\$19.85 hr.	Year 2 Hourly Rate		\$22.35 hr.
Year 3 Hourly Rate		\$20.85 hr.	Year 3 Hourly Rate		\$23.35 hr.

B. Other Benefits

Overtime: An employee will be paid one-and-one-half times their regular rate of pay for all time worked (i) over eight hours, up to and including twelve hours, in any one workday, (ii) all time worked over 40 hours in any one workweek, and (iii) for the first eight hours worked on the seventh consecutive workday in any one workweek. An employee will be paid two times their regular pay rate for all time worked (i) over twelve hours in any one workday and (ii) for all time worked over eight hours on the seventh consecutive workday in any one workweek.

See Section B.3 for information on M&A’s generous employee benefits package, including subsidized childcare, retirement plans, volunteer bonuses, and more.

3. Plans for Local Outreach & Minimum Payroll Hours for Locals

A. Recruitment

M&A is dedicated to assembling a diverse team of enthusiastic – mostly local workers – who share the hardworking, pioneering attitude necessary to succeed in an emerging industry. We anticipate hiring between 10 and 20 employees within the first year of operations. **We will hire locally whenever possible to ensure the City and community benefit economically from our presence.** Our approach to recruiting local employees involves extensive community outreach and engagement:

- **Local job postings:** We will actively advertise job openings through local job boards, community centers, and social media platforms, clearly emphasizing our commitment to hiring locally.
- **Job fairs and recruitment events:** Before opening the business, we will host job fairs and recruitment events in collaboration with local workforce development organizations and educational institutions to identify and connect with potential candidates from the community.
- **Community outreach and engagement:** We will actively engage in community events, meetings, and forums to create awareness about job opportunities and to showcase our dedication to the community. We believe actively participating in community life is crucial in attracting and retaining local talent.
- **Internships:** We will offer internships so young professionals can get valuable hands-on experience in their local cannabis industry.
- **Transparent hiring practices:** We will maintain transparency in our hiring practices and communicate our commitment to the community in our marketing and outreach materials.

B. Retention and Development

With all that said, recruitment is only part of the equation. Employee retention and development are equally important. We are proud that M&A has an excellent track record of training, supporting, promoting, and retaining staff.

- **Apprenticeships:** M&A is working collaboratively with UFCW to establish the first-of-its-kind cannabis retail apprenticeship program for union employees looking to develop careers in this field.
- **Educational Grants:** We provide financial assistance and resources for employees to receive training in areas relevant to the cannabis industry, including sales, security, and compliance.
- **Employee Advancement Opportunities:** We reinvest profits into expanding operations, opening the door for our employees to grow with us. Today, many people overseeing our marketing, inventory management, procurement, and

delivery departments have started their careers with us as entry-level sales associates and drivers.

C. Percentage of Local Workers

Santee is a relatively small city with a very low unemployment rate. This will make recruiting local workers challenging but not impossible. In year one, we aim to have at least 50 percent of our total annual payroll hours performed at the business by Santee residents. We will work to ensure that number grows over time through solid career development programs and retention.

4. Proposal for Direct Fee Offered to City

We propose a direct community benefit to the City of Santee equal to eight percent (8%) of the cannabis retail store's gross receipts.

The community benefit fee would be remitted quarterly in arrears within thirty (30) days of the end of each calendar quarter or based on a different schedule preferred by the City. As detailed below, the 8% community benefit fee will include automatic increases if any regional cannabis tax rate increases above 8%, as well as a commitment to remit the first year's total projected community benefit fee (c. \$584k) at the start of construction.

M&A has extensive experience collaborating with cities to structure community benefit fees that address the jurisdiction's unique needs while ensuring the retail outlet is economically viable in an ultra-competitive and expanding legal cannabis market.

While most of the cities in which we operate have a cannabis tax (typically ranging from five to eight percent), some of the municipalities we operate in rely on community benefit agreements to realize the benefits of commercial cannabis sales.

This is the case in Imperial Beach, where M&A was selected in 2021 as the sole permittee to operate a cannabis dispensary. The City does not have a local cannabis tax. Instead, it opted to work with us to craft a community benefits agreement that garnered all the benefits of a cannabis tax but with greater flexibility to direct those funds to the City's most pressing needs.

Working with Imperial Beach's City Manager, we agreed that setting the community benefit fee to mirror the cannabis tax rate in the neighboring City of Chula Vista (7%) would make the city competitive with adjacent jurisdictions.

The City Manager then identified areas to which the funds would be directed. Those areas included drug awareness programs, recreational programs, and city facility improvements. We subsequently agreed to pre-fund (during the store's construction) a substantial amount of future community benefit fees to support the City's need to complete repairs to a community facility. During our initial period of operation, we credited that pre-funded

amount back to our accrued community benefit fees. We encourage the City of Santee to contact Imperial Beach to discuss the success this community benefit fee has provided to their community.

As a San Diego County-born and based company, an important component of our business planning and engagement with community leaders across the County is to seek cooperation and consistency in tax and other matters.

Regarding cannabis taxes and community benefit fees, we have worked closely with municipal leaders to achieve a “levelized” cannabis tax or fee across local jurisdictions. As noted above, this is how we arrived at a 7% fee in the City of Imperial Beach, even where, at first glance, it may have seemed “enticing” to propose a community benefit fee that was effectively less than the cannabis tax rate in Chula Vista. We further ensured that this community benefit fee would increase lockstep with any increase in a cannabis tax rate in the City of Chula Vista without requiring further action by the City of Imperial Beach.

This minimizes the outcome of cannabis retailers in one jurisdiction using a lower cannabis tax to lure customers away from a neighboring City and the negative environmental, land-use, public safety, and industry health concerns associated with that type of “competition on taxes” as opposed to market pricing. We have seen this negative and usually unanticipated result in jurisdictions engaging in “tax” competition instead of seeking tax optimization for the community, region, and industry.

Like the successful structure we have adopted, implemented, and funded in the City of Imperial Beach, we propose a community ***benefit fee of eight percent (8%) of gross receipts*** for the City of Santee. Eight percent (8%) of gross receipts aligns with the current cannabis tax rate of the City of San Diego, which is the highest tax rate in the County of San Diego. We believe this approach is appropriate for our region as a whole and ensures the City of Santee receives a benefit consistent with the highest benefit derived from adult-use of cannabis in the County of San Diego.

We further propose that the community benefit fees in Santee automatically increase in lockstep with any increase in the cannabis tax or fee of the City of San Diego, the County of San Diego (if the County implements recreational cannabis), or any other municipality adjacent to the City of Santee. We also commit that our community benefit fee of eight percent (8%) will never go lower than eight percent (8%), irrespective of any potential decrease or tax setting of other jurisdictions without mutual agreement of the City.

Finally, we would be open to pre-funding the Year 1 projected community benefit fee to the City of Santee, where such funding would support the city's specific near-term need to complete a community project (and would then recover that amount as an offset to actual accrued fees generated during operations).

We project the following in community benefit fees generated and delivered to the City of Santee from this project over the first three (3) years of operations:

Estimated	Year 1	Year 2	Year 3
Cannabis Sales	\$7,300,000	\$8,814,750	\$10,643,810
Benefit Fees (8%)	\$584,000	\$705,180	\$851,504.80

Section G: Proposed Site Plan

1. About the Existing Site

A. Physical Address

The address of the proposed site is 8665 Argent St., Santee, CA 92071.



A core component of our business planning is ensuring we are locating our stores in a way that enhances the community we serve, both improving the surrounding area and proving to our new neighbors with valid concerns around cannabis generally and the impacts to their community that we can be a good partner.

We strongly believe that our proposed location in the City of Santee is appropriate for adult-use cannabis, meeting this core criteria of our physical store and the activities therein enhancing and not detracting from the community's physical space.

B. Description of the existing site

Our proposed site is located on the southeast corner of Prospect Avenue and Argent Street in the General Industrial (IG) zone. It is known as the Prospect Business Park and is more than 900 feet away from any sensitive uses as defined by the State of California and the City of Santee. The property is navigable from Prospect Avenue, which sees 8,900 vehicles daily.

The parcel includes one 23,529-square-foot multi-tenant industrial building constructed in 1986. Parking facilities are located on the west and north property lines, with over 30

standard parking spaces and three ADA spaces. One vehicle access point is located along the west property line on Argent Street. A service drive alley delineates the south property line and provides access to additional non-customer parking, trash enclosures, and roll-up doors connected to the various suites' warehouses.

C. Photographs of the existing property



D. Description of how the site is currently being used

As a multi-tenant industrial building, a mix of businesses occupies the site. The suite that M&A intends to occupy is currently vacant but was previously occupied by a brewery.

E. Description of businesses currently operating on or adjacent to the parcel

Businesses currently operating on the property include:

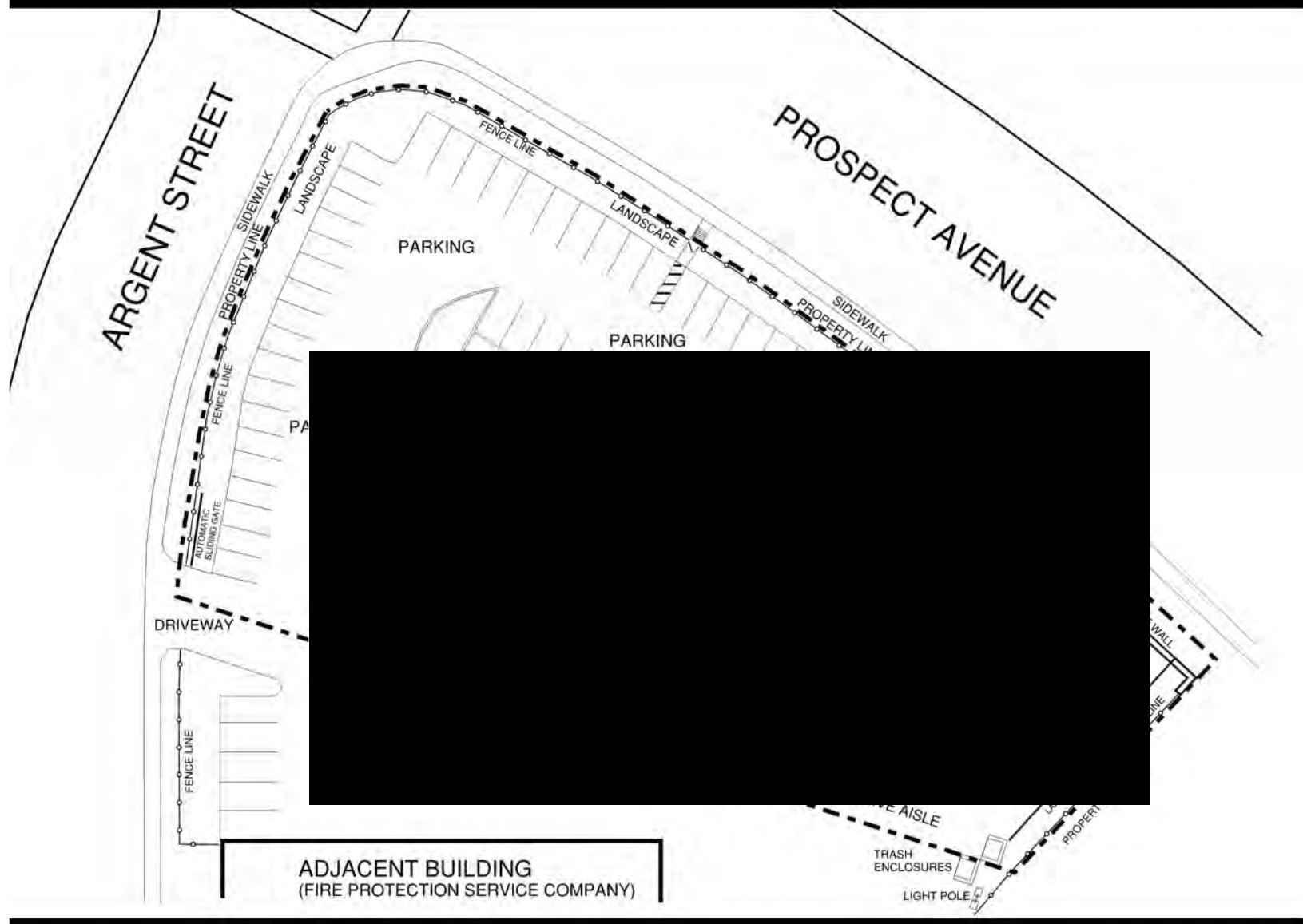
- Sunny Grove Brewing Company (brewery and tasting room)
- Inland Pacific (real estate offices for the property owner)
- Superior Abatement Services, Inc. (construction demolition contractor)
- PAW Automotive Service Center (auto repair shop)

Businesses operating on adjacent parcels to 8665 Argent Street include Sharp Business Systems (direct sales division of Sharp Electronics Corporation) at 8670 Argent Street, Bradshaw Engineering Corporation (fire protection services) at 8645 Argent Street, Coastal Supply Company (screen printing service) at 8650 Argent Street, and a multi-tenant industrial building with the following businesses at 9565 Pathway Street: KW Cages (pet supply store); Pacific Lawn Mower Works (lawn mower store); and Courtesy Refrigeration Inc. (commercial refrigeration company).

From a youth prevention standpoint, we believe this is an ideal location for a cannabis dispensary. Located in the middle of an industrial business park, it is well away from any business that caters to children or any known pathways that children are known to frequent. Although sensitive use buffers serve to restrict businesses from operating in areas where there are youth-serving businesses or institutions, certain allowable areas still present the potential for undue exposure to retail cannabis businesses. We take pride in knowing that our site is well-insulated from potential youth exposure and away from family-oriented areas like the town center.

2. About the Proposed Site

A. Site plan



B. Description of the site improvements

The proposed site improvements are designed to revitalize the property, enhancing its functionality and aesthetic appeal while fostering a welcoming environment for visitors. The plan encompasses façade rehabilitation, parking upgrades, landscaping enhancements, fencing improvements, and additional exterior site features.

- **Façade Rehabilitation:** This will involve cleaning and restoring the current materials, repairing damaged surfaces, and replacing outdated elements with high-quality finishes. A cohesive color scheme will harmonize the space with the surrounding architecture and enhance the property's visibility.
- **Parking Upgrades:** The layout will include clearly marked spaces. New signage and enhanced building lighting will be installed to ensure safety during evening hours. Approximately 12 parking spaces will be dedicated to customers.
- **Landscaping Enhancements:** Landscaping will be thoughtfully designed to blend into the surrounding landscaping to create a vibrant and welcoming atmosphere. Native, drought-tolerant plant species will be prioritized to enhance biodiversity and reduce water usage. Entrance pathways will be lined with greenery to guide visitors.
- **Fencing Improvements:** Fencing will be upgraded to enhance site security while maintaining an open and inviting appearance. The design will include gates that facilitate controlled access, ensuring safety during non-business hours without compromising accessibility for visitors.
- **Additional Exterior Site Features:** Further improvements will include the installation of new energy-efficient lighting fixtures that will illuminate the front entrance and walkway, enhancing safety and ambiance during evening hours. Clear signage will be added to guide visitors.

These proposed site improvements aim to transform the property into a vibrant, functional space that meets the community's needs while enhancing its overall aesthetic. Through thoughtful design and sustainable practices, the project seeks to create an inviting environment that encourages interaction and enjoyment for all who visit.

C. Visual depiction of the proposed exterior



3. Impact of Proposed Improvements on Surrounding Area

The proposed improvements for the site are designed to positively impact the health, safety, and welfare of the surrounding area:

- **Health:** Landscape enhancements will utilize native and drought-tolerant plant species to promote biodiversity while conserving water usage. Incorporating green spaces into the project will positively contribute to the environment and create a warm, inviting space for patrons, employees, other property businesses, and passersby. Similarly, energy-efficient lighting proposed for the facility's exterior will be hooded and motion-activated to contribute to energy conservation and minimize light pollution to surrounding neighbors and wildlife.
- **Safety:** The incorporation of clearly marked parking spaces and exterior lighting will enhance safety, particularly during evening hours, by creating a well-lit, visible parking lot that will reduce the possibility of vehicle collisions and deter potential criminal activity. Additionally, on-site security personnel will add another deterrence factor for potential criminal activity. Installing fencing around the property's exterior will similarly enhance the site's safety by reducing access points to the site, and a controlled gate will prevent unauthorized entry to the site, contributing to the safety of visitors, staff, and other businesses on the property.

- **Welfare:** The upgraded façade will be designed cohesively with the rest of the facility, and the incorporation of high-quality finishes will enhance the site's overall aesthetic, boosting community morale and property value. Dedicated walkways, clear signage, and revamped landscaping will also contribute to an ease of navigability for visitors, which will foster a welcoming environment and integrate the retail storefront with the community to promote safety and accessibility.

The improvements described above will be carefully designed to promote public health by incorporating landscaping and lighting utilizing environmentally conscious best practices, ensure safety through the incorporation of upgraded parking facilities and criminal deterrence tools such as fencing, lighting, and on-site security personnel, and enhance community welfare by creating a vibrant and harmonious commercial space. Overall, these improvements will unite to make the site a point of pride for Santee residents.

CITY OF SANTEE
COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION
(RETAIL APPLICATIONS)
FINANCIAL RESPONSIBILITY, INDEMNITY AND
CONSENT TO INSPECTION TERMS
(Must be completed by all owners)

Dated: October 23, 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".

Applicant(s)/Owner(s):

Blake Marchand
Printed Name

James Renner
Printed Name

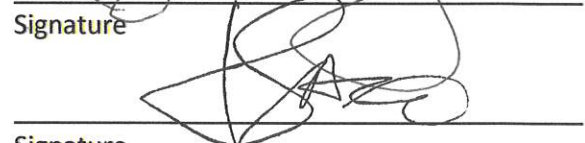
Jonathan Saco
Printed Name

Breton Peace
Printed Name

Printed Name


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

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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

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

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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] Jonathan Saco
Applicant Signature Printed Name and Title

March and Ash Santee, Inc. 8665 Argent St., Ste. B1, Santee, CA
Name of Business Entity Address of Permitted Location 92071

10-18-2024
Date

Applicant Signature Printed Name and Title

Name of Business Entity Address of Permitted Location

Date

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

State of California
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 18th day of October, 2024, by Jonathan Saco, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature Courtney Chamberlin (Seal)



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

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

(Must be completed by all owners)

A. WAIVER, RELEASE AND HOLD HARMLESS

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B. AGREEMENT TO INDEMNIFY

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

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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

Breton Peace
Printed Name and Title

March and Ash Santee, Inc.
Name of Business Entity

8605 Argent St., Ste. B2 Santee, CA
Address of Permitted Location 92071

10-18-2024
Date

Applicant Signature

Printed Name and Title

Name of Business Entity

Address of Permitted Location

Date

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

State of California
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 18th day of October, 2024, by Breton Peace, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature Courtney Chamberlin (Seal)



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

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(Must be completed by all owners)

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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

Blake Marchand
Printed Name and Title

March and Ash Santee, Inc.
Name of Business Entity

8665 Argent St. Ste. B1, Santee, CA
Address of Permitted Location 92071

10.18.2024
Date

Applicant Signature

Printed Name and Title

Name of Business Entity

Address of Permitted Location

Date

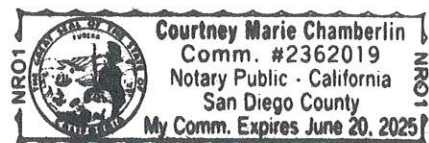
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 18th day of October, 2024, by Blake Marchand, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature Courtney Chamberlin

(Seal)



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

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

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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] James Renner, Jr., Owner
Applicant Signature Printed Name and Title

March and Ash Santee, Inc. 8665 Argent St. Ste B1, Santee, CA
Name of Business Entity Address of Permitted Location 92071

9.26.24
Date

Applicant Signature Printed Name and Title

Name of Business Entity Address of Permitted Location

Date

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

State of California
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 26th day of September, 2024, by James Renner, Jr., proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature Courtney Chamberlin (Seal)





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:

8665 Argent Street Suite B1	Santee	CA	92071
Street	City	State	Zip
3843112000			
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 March and Ash Santee, Inc.
Tenant (Corporation/LLC/Partnership/Sole Owner)
has the legal right to occupy the property, and consent to the business conducting the following commercial cannabis activity at the Property:

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

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

SIGNATURE OF PROPERTY OWNER(S):

James Arnel Renner JR

PRINTED NAME OF PROPERTY OWNER(S)

8665 Argent ST., LLC

PRINTED NAME OF PROPERTY OWNER(S)

[Signature]

SIGNATURE OF PROPERTY OWNER(S)

SIGNATURE OF PROPERTY OWNER(S)

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

Subscribed and sworn to before me this ____ 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

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State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 26th
day of September, 20 24, by James Arnel
Renner Jr

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



(Seal)

Signature Courtney Chamberlin



City of Santee

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

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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):

Christene Campbell-Renner

PRINTED NAME OF PROPERTY OWNER(S)

8665 Argent St, LLC

PRINTED NAME OF PROPERTY OWNER(S)

[Signature]

SIGNATURE OF PROPERTY OWNER(S)

SIGNATURE OF PROPERTY OWNER(S)

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

Subscribed and sworn to before me this _____ 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 Attachment For
Official Notarization

See Attachment For
Official Notarization

CALIFORNIA JURAT WITH AFFIANT STATEMENT

GOVERNMENT CODE § 8202

- ☒ See Attached Document (Notary to cross out lines 1-6 below)
☐ See Statement Below (Lines 1-6 to be completed only by document signer[s], *not* Notary)

Signature of Document Signer No. 1_____
Signature of Document Signer No. 2 (if any)

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 21 day of Oct, 2024
by Date Month Year(1) Christene M. Campbell-Renner

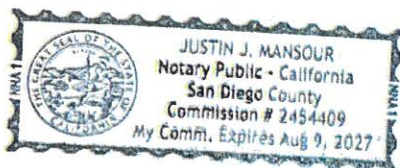
(and (2) _____),

Name(s) of Signer(s)

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

Signature _____

Signature of Notary Public



Seal

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____



10/4/2024

City of Santee
10601 Magnolia Ave.
Santee, CA 92071

Subject: Attestation of Insurance Coverage for March and Ash Santee, Inc.

To Whom It May Concern,

This letter serves as formal attestation that, should **March and Ash Santee, Inc.** be awarded a retail cannabis permit by the City of Santee, they will have access to insurance coverage through our company, CannGen Insurance Services. We understand the regulatory requirements involved in cannabis retail operations, and we are prepared to provide the necessary coverage that complies with both state and local laws.

Our insurance policy will include, but is not limited to, the following:

General Liability, Property, Product Liability

The terms and conditions of the coverage will be determined upon final underwriting and will ensure that March and Ash Santee, Inc. remains compliant with all regulatory requirements related to their cannabis retail business.

Please feel free to contact me at cpyfrom@canngenins.com for any further information or clarification.

Sincerely,

Charles Pyfrom

Chief Marketing Officer

CannGen Insurance Services, LLC
CA License #: 0L05867

Proof of Capitalization

1. Account Balances of East West Bank Accounts showing [REDACTED] in available funds (Pages 1-2)
2. Account Balances of Technicolor Accounts showing [REDACTED] in available funds (Page 3)
3. Redacted Loan Agreement showing \$1,500,000 available for the Santee project (Pages 4-8)
4. Bank Account Balance of Loan Provider (Pages 9-13)



VERIFICATION OF DEPOSIT

Date: October 24, 2024

To Whom It May Concern,

This Verification of Deposit form is in regard to the following named accounts held at Technicolor Federal Credit Union. The balances reflected are as of October 23, 2024 :

Account Title	Savings	Primary Checking	Secondary Checking
Kind House, Inc. (CANNACRAFT)			
Cannacraft, Inc (CANNACRAFT)			
CRFT Manufacturing Inc (CANNACRAFT)			
Craftforce Services, Inc (CANNACRAFT)			

Total Balances:	
-----------------	--

Linda D. Hunter
Printed Name:


Signature:

VP of Operations
Title:

10/24/2024
Date:

THIS CONVERTIBLE PROMISSORY NOTE AND LOAN AGREEMENT AND THE SHARES ISSUABLE UPON CONVERSION HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OF THESE SHARES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT.

**GROUNDWORK HOLDINGS, INC.
CONVERTIBLE PROMISSORY NOTE AND LOAN AGREEMENT**

\$3,500,000.00

This Promissory Note and Loan Agreement (this "**Note**") is made and entered into as of October 10, 2024 (the "**Effective Date**") by and between Groundwork Holdings, Inc., a company incorporated under the laws of the State of Delaware (the "**Company**") and The Claggett Family Trust dated May 9, 2006 (the "**Lender**"), and is one of a series of Convertible Promissory Note and Loan Agreements (all in substantially the same form and substance as this Note) entered into as of the date hereof by the Company and the other parties thereto (together with Lender hereunder, the "**Lender Group**") provided that the aggregate principal amount of all loans made by the Lender Group, including the Lender's Loan hereunder, shall not exceed \$5,500,000.00.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. The Loan. Subject to the terms and conditions of this Note, at the Closing (as defined below), the Lender shall lend (the "**Loan**") to the Company the aggregate principal amount of up to \$3,500,000.00 (the "**Principal Amount**"). The closing of the Loan ("**Closing**") shall take place simultaneously upon the execution and delivery by the Lender and the Company of this Note. Within five (5) business days of the Closing date the Lender shall pay \$2,000,000 of the Principal Amount to the Company by wire transfer to the Company's bank account designated by the Company to the Lender. The remaining \$1,500,000.00 of the Principal Amount shall be paid by the Lender to the Company upon the Company obtaining a commercial cannabis permit in the City of Santee, CA. Such amounts shall be funded by the Lender against the construction and startup budget for a cannabis retail outlet in the City of Santee.

3. Interest. The Company agrees to pay interest on the total outstanding and unpaid Principal Amount ("**Credit Balance**") of the Loan at the rate of [REDACTED] per annum / simple, payable as Base Interest and Deferred Interest as follows.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(e) The Lender understands that any permitted successor holder or transferee of the Securities will be required to provide to the Company the representations and warranties contained in this Section.

(f) The Lender understands that the Securities have not been, and will not be, registered under the Act, or any state securities law, based on an exemption or exemptions provided thereunder, the availability of which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of such Lender's representations as expressed herein, and will be "restricted securities" within the meaning of Rule 144 promulgated under the Act; and that all stock certificates representing Securities may have affixed thereto a legend substantially in the following form.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR ANY STATE SECURITIES LAWS, AND MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR UNLESS SUCH TRANSFER IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. THE COMPANY MAY REQUIRE AN OPINION OF COUNSEL, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT REGISTRATION IS NOT REQUIRED IN CONNECTION WITH SUCH TRANSFER.

11. Restrictions on Transfer. This Note and the obligations under this Note may not be assigned by the Company without the prior written consent of the Lender. By acceptance of this Note, the Lender hereby agrees that the Lender will not sell, offer for sale, pledge, hypothecate or otherwise transfer this Note or the Securities.

12. Taxes; Withholding. Any taxes, fees, levies, duties, surcharges or withholdings of any nature imposed by any governmental authority, or third party owed on the interest or the Discount shall be the sole liability and responsibility of the Lender.

13. Expenses. Each of the Company and the Lender shall pay all costs and expenses that it incurs with respect to the negotiation, execution, delivery and performance of this Note; provided that upon the consummation of the Closing.

14. Miscellaneous.

(a) Notices. Any notice, request, communication or other document required or permitted to be given or delivered to the Lender or the Company shall be delivered, or shall be sent by certified or registered mail, postage prepaid, overnight courier or by electronic mail (with return receipt requested) or delivered personally to the Lender at its address as shown on the signature page hereto or to the Company at the address indicated therefor on the signature page of this Note.

(b) Governing Law; Jurisdiction. This Note and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted solely in accordance with the laws of the State of California, without giving effect to its conflict of laws principles. Any dispute arising under or in relation to this Note shall be resolved

IN WITNESS WHEREOF, this Note has been executed and delivered on the date first above written.

Company

Groundwork Holdings, Inc., a Delaware corporation



Name: Breton Peace

Title: CEO

Notices to Company:


2835 Camino Del Rio S Ste 220

San Diego, CA 92108

Email: bret@marchandash.com

Lender

The Claggett Family Trust dated May 9, 2006

DocuSigned by:

E4F38AE5508F454

Name:

Title: Trustee

Notices to Lender:

4101 MEADOWS LN SUITE 100

LAS VEGAS, NV, 89107, USA

Email: Sean@claggettlaw.com

FW: Payment Confirmation - Santee, CA

1 message

blake@marchandash.com <blake@marchandash.com>
To: Spencer Andrews <spencer@marchandash.com>

Tue, Sep 17, 2024 at 11:31 AM

From: noreply@mygovpay.com <noreply@mygovpay.com>
Sent: Tuesday, September 17, 2024 11:31 AM
To: blake@marchandash.com
Subject: Payment Confirmation - Santee, CA

Santee, CA

Payment Confirmation

Payment Date	Tuesday, September 17, 2024			
Order Number	9364			
Line Items				
Invoice #	Item Description	Quantity	Unit Price	Total Price
INV-00006312	ZVL-2024-0013	1	\$267.00	\$267.00
Item Total		\$267.00		
Convenience Fee		\$8.01		
Order Total		\$275.01		

9/17/24, 11:44 AM

March and Ash Mail - FW: Payment Confirmation - Santee, CA

Thank you for your payment,

Santee, CA

||