

OFF THE CHARTS



1. CANNABIS BUSINESS PERMIT APPLICATION



COMMERCIAL CANNABIS
BUSINESS PERMIT
APPLICATION
(Retail Applications)

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

APPLICANT (ENTITY) INFORMATION

Applicant (Entity) Name: OTC Santee LLC DBA: Off The Charts

Physical Address: 8069 Mission Gorge Rd / 0 Big Rock Rd Santee CA 92071
Street City State Zip

Primary Contact: Norman Yousif Title: Owner and Chief Executive Officer (CEO)

Mailing Address: 15030 Ventura Blvd #169 Sherman Oaks CA 91403
Street City State Zip

Phone Number: (619) 955-9433 Email: normanyousif11@gmail.com

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

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

Business Formation: Describe how the business is organized.

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

PROPOSED LOCATION

Property Owner Name: Ruslan Grub

Proposed Location Address: 8069 Mission Gorge Rd / 0 Big Rock Rd Santee CA 92071
Street City State Zip

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

Zoning Clearance Letter : ☒ Yes ☐ No

Assessor's Parcel Number (APN): 383-160-09-00 ; 383-160-07-00

APPLICATION SUBMITTAL CHECKLIST

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

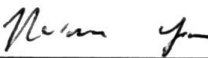
- ✓ A complete and signed Commercial Cannabis Business Permit Application form and Evaluation Criteria. The evaluation criteria response is limited to 125 pages.
- ✓ A signed Financial Responsibility, Indemnity and Consent to Inspection Agreement form.
- ✓ A signed Agreement to Limitations of City Liability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

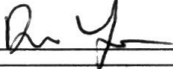
OWNER INFORMATION

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

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

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

I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.				
Ownership %	70%	Background information is included as required?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Owner Name:	Norman Yousif	Title:		
Address:	771 Jamacha Rd 358	El Cajon	CA	92019
	<small>Street</small>	<small>City</small>	<small>State</small>	<small>Zip</small>
Signature:			Date:	Oct. 21, 2024

I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.				
Ownership %	18%	Background information is included as required?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Owner Name:	Darline Yousif	Title:		
Address:	771 Jamacha Rd. 358	El Cajon	CA	92019
	<small>Street</small>	<small>City</small>	<small>State</small>	<small>Zip</small>
Signature:			Date:	Oct. 21, 2024

I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.				
Ownership %		Background information is included as required?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Owner Name:		Title:		
Address:				
	<small>Street</small>	<small>City</small>	<small>State</small>	<small>Zip</small>
Signature:			Date:	

I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.				
Ownership %		Background information is included as required?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Owner Name:		Title:		
Address:				
	<small>Street</small>	<small>City</small>	<small>State</small>	<small>Zip</small>
Signature:			Date:	

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

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Ownership %		Background information is included as required?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Owner Name:		Title:		Owner and Chief Compliance Officer
Address:				
Signature:		Date: OCTOBER 22, 2024		
I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.				
Ownership %		Background Information is included as required?		<input type="checkbox"/> Yes <input type="checkbox"/> No
Owner Name:		Title:		
Address:				
Signature:		Date:		
I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.				
Ownership %		Background Information is included as required?		<input type="checkbox"/> Yes <input type="checkbox"/> No
Owner Name:		Title:		
Address:				
Signature:		Date:		
I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.				
Ownership %		Background information is included as required?		<input type="checkbox"/> Yes <input type="checkbox"/> No
Owner Name:		Title:		
Address:				
Signature:		Date:		

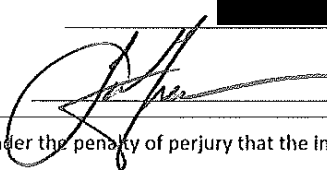
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Ownership %	5%	Background Information is included as required?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Owner Name:	Joe Green	Title:	Owner and Community Advisor	
Address:				
	Street	City	State	Zip
Signature:			Date:	10/18/24
I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.				
Ownership %		Background Information is included as required?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Owner Name:		Title:		
Address:				
	Street	City	State	Zip
Signature:			Date:	
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Ownership %		Background Information is included as required?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Owner Name:		Title:		
Address:				
	Street	City	State	Zip
Signature:			Date:	
I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.				
Ownership %		Background information is included as required?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Owner Name:		Title:		
Address:				
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Signature:			Date:	

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Ownership % 1% Background information is included as required? ☒ Yes ☐ No
Owner Name: Loren Krumweide Title: Owner and Community Relations Officer
Address: [REDACTED]
Signature: [Signature] Date: OCT 11, 2024

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

Ownership % _____ Background Information is included as required? ☐ Yes ☐ No
Owner Name: _____ Title: _____
Address: _____
Signature: _____ Date: _____

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

Ownership % _____ Background Information is included as required? ☐ Yes ☐ No
Owner Name: _____ Title: _____
Address: _____
Signature: _____ Date: _____

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Ownership %	1%	Background information is included as required?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Owner Name:	Randy Burgess	Title:	Owner and Community Advisor	
Address:	<div style="background-color: black; width: 100%; height: 1.2em;"></div>			
	Street	City	State	Zip
Signature:			Date:	10/17/2024
I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.				
Ownership %		Background Information is included as required?		<input type="checkbox"/> Yes <input type="checkbox"/> No
Owner Name:		Title:		
Address:				
	Street	City	State	Zip
Signature:			Date:	
I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.				
Ownership %		Background Information is included as required?		<input type="checkbox"/> Yes <input type="checkbox"/> No
Owner Name:		Title:		
Address:				
	Street	City	State	Zip
Signature:			Date:	
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Owner Name:		Title:		
Address:				
	Street	City	State	Zip
Signature:			Date:	

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

SUPPORTING INFORMATION

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

N/A

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

N/A

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

N/A

APPLICATION CERTIFICATION

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

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

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

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

Norman Yousif

Name

Owner and Chief Executive Officer (CEO)

Title

Signature

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.



**OFF THE
CHARIS**



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SECTION A: BUSINESS PLAN

A.1. FINANCES – BUDGET

Off The Charts (OTC) has developed a Financial Plan as part of its overall Business Plan, which includes a startup budget and projections that are conservatively drafted from a financial resources perspective for the proposed Santee storefront and delivery service. These projections are based on financial data we have accrued at OTC's other licensed businesses focusing on businesses in the Southern California area that have similar demographics. The budget has been constructed to anticipate all capital expenditures and ensure that we have sufficient liquid assets to cover per-operational costs and 3-months of operating expenses. OTC has secured start-up capital costs and capital reserves for 3-months of operating expenses and a 20% contingency to total just under \$1.86M (the "Startup Budget"). Approximately \$520K of the Startup Budget is reserved for site renovation and construction. Another large portion of the budget goes toward staff compensation and benefits, which includes generous compensation packages during training, and benefits available upon hire. The remainder of the Budget is allocated to marketing, professional fees and pre-launch community engagement efforts that allow OTC to establish itself as a valued member of the Santee community. The following provides a more nuanced explanation of various budgeted expenses of OTC's Startup Budget for our Santee project.

Construction: OTC has allocated an ample portion of its Startup Budget to Interior and Exterior Renovations. Interior renovations and improvements for the facility interior allocate approximately \$150/ft² (2,975ft² total), which is fifty percent (50%) higher than the average cost per square foot (\$100/sq ft) OTC has expended on other retail locations. Further, we are proud to commit \$170.5K to exterior renovations, which include façade enhancements for our entire building, mural installation, exterior lighting, and landscaping installations and/or improvements. We view our commitment to renovating our site as a good faith effort towards cohesion with Santee's commercial design guidelines, aesthetic enhancement of the neighborhood and community immersion.

Operations: OTC's Startup Budget allocates approximately \$427K of non-compensation based operating costs to cover at least three months of operations. Non-compensation operating costs are projected to be around \$142.5K per month, which includes rent (\$14K/month) and a \$15K budget for utilities that cover both pre-operational and our first three months of utility fees. Startup costs for operations also include \$35K for initial community engagement expenditures built into our Miscellaneous Operating costs, which allows us to deliver on our community benefit initiatives during startup and before OTC reaches profitability.

Maintenance: While we expect to have few maintenance costs during the first months of operations, our overall facility budget allocates \$30K for maintenance related expenses in Year 1, \$7.5K of which is incorporated into our Budget's Miscellaneous Operating Costs, which increases to \$79.5K in Year 2 (See Profit & Loss Statement below).

Employee Compensation: The Budget includes 3-months of staff compensation and extends to compensation for training. OTC provides generous Compensation and Benefit packages, which include starting wages at \$20.00/hr. Overall staff compensation during Startup amounts to nearly \$252K in compensation and benefit expenses. We are proud to provide generous wage and benefits packages to local employees from Santee and surrounding areas.

Equipment Costs: Startup costs for equipment include fixtures, security equipment, and electronic devices for POS, inventory control and handheld customer scanners. Overall, we anticipate around \$97K for equipment costs, which is based on recent equipment costs of \$80K and \$9K for our facilities in Sherman Oaks and Lemon Grove. Some equipment, such as the vault and odor control system (HVAC + Filters), is included in construction budgeting. An additional \$115K has been allocated to Equipment Costs under our shelving and millwork outlined in Building Improvements.

Property Lease: OTC has secured a tentative location with a Lease at a rate of \$12,500/mth with triple Net, which totals to about \$14K/mth. The Lease Deposit includes licensing (\$9K total) and construction holding rate of \$3K/mth (12 mths) until we are issued a Certificate of Occupancy. Accounting for twelve (12) months before operations begin and the first three months of operations, our total Lease expenses amount to \$87,000.

Security Equipment and Staff: Security Equipment accounts for \$35K of our total budget, which includes cameras, monitors, motion sensors, and access cards. Security staff is approximately \$75K, which is detailed under our Operating Expenses.



City and State Fees: The Start Up budget allocates \$119,432 to licensing and permit fees, which include City (ZVL = \$267; App fee = \$25,711; LiveScan (x5) = \$310) and State licensing fees (App Fee = \$1,000; License = \$36,000) and local building permit fees (\$25,000). We have consulted the fees posted on the Santee Planning and Building Department's website and have spoken with local contractors to get informed bids and quotes from local tradesmen.

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

Product Purchases: Our Startup Budget also includes \$200K for our initial inventory purchase. Existing vendor relationships allows OTC to get much of our initial inventory on terms, which allows us to allocate more funds to facility renovations and community benefits efforts.

Miscellaneous Costs: Additional Startup costs include a \$45K budget for marketing and advertising that allows us to host promotional events in addition to traditional advertising methods, such as Weedmaps and Leafly. We have also set aside \$40K in consulting fees to account for our staff recruitment program, which allows us to attract a diverse pool of local employees. Recruitment includes training and educational seminars that provide prospective employees with valuable insight into OTC's operations and educates them on the science of cannabis wellness and the importance of community integration. We have included \$42K in professional expenses for architects, designers, and marketing consultants to help express our brand identity in a way that complements the unique culture of Santee.

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

EMPLOYEE COMPENSATION FIGURES

COMPENSATION – NON-SALARIED MONTHLY WAGES

Day of Week	Shift (6hr)	Cannabis Specialist	Verification Specialist	Dispatcher	Delivery Driver	Security Guard*
Monday	A	2	1	1	1	1
	B	3	1	1	2	2
Tuesday	A	2	1	1	1	1
	B	3	1	1	2	2
Wednesday	A	3	1	1	1	1
	B	4	1	1	2	2
Thursday	A	3	1	1	1	1
	B	4	1	1	3	3
Friday	A	4	1	1	2	1
	B	5	1	1	4	3
Saturday	A	4	1	1	2	2
	B	6	1	1	4	3
Sunday	A	3	1	1	3	2
	B	5	1	1	4	3
Weekly Shift Total		51	14	14	32	27
Monthly Shift Total		204	56	56	128	108
Hourly Wage		\$21.50	\$20.00	\$20.00	\$20.00	\$25.00
Labor Wage / Month		\$26,175	\$6,720	\$6,720	\$15,360	\$16,200

*Executive Salaries Pro-rated across twenty (20) operational locations

^CRO Salary is pro-rated across six (6) Southern CA locations

COMPENSATION – MANAGEMENT STAFF

MGMT EMPLOYEE(S)	ANNUAL	MONTHLY PAYROLL
CEO*	\$6,000	\$500
COO*	\$5,000	\$416.17
CCO*	\$6,000	\$500
CRO^	\$10,833.33	\$902.78
Human Resources Coordinator	\$61,401.6	\$5,116.8
General Manager	\$65,000	\$5,416.67
Team Lead	\$61,401.6	\$5,116.8
Inventory Manager	\$70,000	\$5,833.33
TOTAL MGMT SALARY	\$285,637	\$23,803

TOTAL COMPENSATION – WAGES + BENEFITS

ITEM	COST
Management Salary	\$285,637
Total Hourly Wages	\$659,700
Social Security Taxes	\$58,591.20
Medicare Tax	\$13,703.01
Health Insurance	\$66,152.16
Time off Allowance	\$11,498.88
Other Misc. Fringes	\$94,502.15
Total Compensation Expenses	\$1,189,784



OFF THE CHARTS

SANTEE START UP BUDGET

	Total Cost	Itemization	Classification		
			Tenant Improvement	Start Up Costs & Fees	Working Capital
PREMISES (LEASE)	\$87,000				
LEASE DEPOSIT + HOLDING COSTS		\$45,000		\$45,000	
3-MONTH'S LEASE		\$42,000			\$42,000
BUILDING IMPROVEMENTS	\$350,000				
MECHANICAL/ELECTRICAL		\$35,000	\$35,000		
HVAC – ODOR CONTROL		\$30,000	\$30,000		
VAULT ROOM & PRODUCT STORAGE		\$25,000	\$25,000		
FLOORING		\$20,000	\$20,000		
DOORS/WINDOWS (INTERIOR)		\$25,000	\$25,000		
FIXTURES/MILLWORK		\$115,000	\$115,000		
LIGHTING		\$20,000	\$20,000		
PLUMBING / ADA RESTROOM		\$15,000	\$15,000		
DRYWALL / FINISHING WORK		\$65,000	\$65,000		
EQUIPMENT (INTERIOR)	\$97,474				
ART & DECOR		\$25,000		\$25,000	
POINT OF SALE		\$8,000		\$8,000	
PHONES		\$974		\$974	
HARDWARE / COMPUTERS		\$6,000		\$6,000	
SECURITY HARDWARE		\$35,000		\$35,000	
INTERIOR FURNITURE (MISC)		\$22,500		\$22,500	
IMPROVEMENTS (EXTERIOR)	\$170,500				
SIGNAGE		\$7,500		\$7,500	
SIDING + PAINT		\$100,000	\$100,000		
BOLLARDS / ADA		\$15,000	\$15,000		
MURAL		\$10,000	\$10,000		
LANDSCAPING		\$38,000	\$38,000		
LEGAL & PROFESSIONAL	\$82,000				
ARCHITECT / INTERIOR DESIGNER		\$30,000		\$30,000	
CONSULTING		\$40,000		\$40,000	
ACCOUNTANT		\$5,000		\$5,000	
BRANDING / DESIGN		\$7,000		\$7,000	
FEES & LICENSING	\$119,432				
CITY SUBMISSION FEE		\$25,711		\$25,711	
BACKGROUND FEES + LIVE SCAN		\$310		\$310	
ZONING VERIFICATION		\$267		\$267	
BUILDING PERMITS		\$25,000		\$25,000	
STATE LICENSE		\$36,000		\$36,000	
OTHER LICENSES (MISC.)		\$17,644		\$17,644	
BANKING		\$12,000		\$12,000	
PRINTING		\$2,500		\$2,500	
OPERATING EXPENSES (3 MTHS)	\$637,570				
PAYROLL					
Management Salary		\$71,409			\$71,409
Hourly Wages		\$119,449			\$119,449
Taxes, Insurance & Benefits		\$61,112			\$61,112
INVENTORY		\$200,000			\$200,000
MARKETING		\$45,000			\$45,000
UTILITIES		\$15,000			\$15,000
SECURITY		\$75,600			\$75,600
MISC. OPERATING COSTS		\$50,000			\$50,000
TOTAL COST(S)	\$1,543,976		\$513,000	\$351,406	\$679,570
BUDGET (TOTAL COSTS + 20% CONTINGENCY)	\$1,852,771				



OFF THE CHARTS

A.1.A. PROOF OF CAPITALIZATION

The startup funding analysis provided includes a 20% contingency budget suggests OTC needs \$1,852,771 for its Retail facility. This summary includes a financing summary for capital expenditures and required operating capital for the first three (3) months of operations. OTC is procuring this capital through Owner Norman Yousif, Compliance Officer and Owner Sean Maddocks through his company Green Consulting Partners, and through a funding commitment of \$1,000,000 from Norman's brother Rawy Yousif. Norman Yousif and Sean Maddocks currently combine to show around [REDACTED] in liquid assets, which when combined with the \$1M from Rawy Yousif, the total allocated startup funding is [REDACTED]. OTC, Green Consulting Partners, and Rawy Yousif have attached Bank Statements from DAMA Financial, Wells Fargo and Torrey Pines Bank which summarize sufficient current liquid assets of Owners Sean Maddocks and Norman Yousif and funding from Rawy Yousif ([REDACTED]). The Proof of Capitalization amounts to over [REDACTED], which provides sufficient capitalization for OTC's proposed Santee facility (\$1,543,976), with more than a 39% contingency for OTC's overall Santee Startup Budget. The funds are organized in the above chart. The Proof of Capitalization included in **File #7 Proof of Capitalization** provides verifying documentation of OTC's ability to cover the required \$1,852,976 to cover startup costs.

PROOF OF SUFFICIENT CAPITAL

A.1.B. PRO FORMA

We have developed a three (3) year pro forma with conservative revenue projections that reflect local demographics and operational experience at other licensed facilities. We have used averaged sales data from our Vista location as we feel the retail storefront-to-population ratio provides comparable averages for the number of licenses Santee is granting per capita and the overall population of Santee and surrounding San Diego County communities. We have based projections on 50% fewer daily transactions than Vista (1,000) due to Santee having a population that is roughly 40% smaller than Vista. Our projected average transaction price for the Santee location is about \$20 more than the average transaction price we are currently evidencing at our other locations, which is based on a ~14% increase in Median Household income in Santee as compared to Vista and a ~19% increase compared to the averages across our other locations as well as the fact that we typically experience higher cost per transaction sales at new locations in new markets.

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

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

OTC SANTEE REVENUE PROJECTIONS

	DAILY	MONTHLY	YEARLY
Transactions	459	13,770	165,240
Price/Transaction	\$90	\$90	\$90
Gross Revenue	\$41,310	\$1,239,300	\$14,871,600
Revenue-COGS	\$25,410.6	\$762,318	\$9,147,816



Retailer Revenue Summary and Pro Forma: The pro forma includes projections for operations, maintenance, compensation of employees, utility costs and other operational costs. The adjacent chart provides an overview of OTC's expected monthly and annual Gross Margin for its retailer revenue sources as partial assumptions for the pro forma. While these revenues may vary over time depending on market forces, we are confident the below projections reflect a conservative estimate of the company's overall Gross Margin. As used below, the gross margin is the overall revenue decreased by the Costs of Goods Sold (COGs).

Additional assumptions in our pro forma include, 5% annual wage increases, 1.0% of Gross Revenue allocated to community benefits initiatives and 6% dedicated to the city through its our City Contribution Commitment, and variation in the cost of goods sold that approximately correlates to 3% increase reflective of modeled inflation. Our rent is based on our \$12,500/mth rate in Santee and triple net fees, which totals to around \$14,000/mth. Our current model provides for 100% funding based on financial contributions of Owner Norman Yousif and his brother Rawy Yousif and Owner Sean Maddocks.

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

ESTIMATED RETAIL SALES PERCENTAGE

PRODUCT TYPE	SALES %	SALES/MTH	SALES/YR
EDIBLES	26.8%	\$332,132.40	\$3,985,588.80
FLOWER	22.4%	\$277,603.20	\$3,331,238.40
PRE-ROLLS	19.5%	\$241,663.50	\$2,899,962.00
CARTRIDGE	14.8%	\$183,416.40	\$2,200,996.80
BEVERAGE	5.5%	\$68,161.50	\$817,938.00
EXTRACT	4.6%	\$57,007.80	\$684,093.60
TOPICAL/TINCTURE	3.2%	\$39,657.60	\$475,891.20
MERCHANDISE	2.1%	\$26,025.30	\$312,303.60
CAPSULE	1.1%	\$13,632.30	\$163,587.60
TOTALS		\$1,239,300	\$14,871,600

OFF THE CHARTS – CASH FLOW YEARS 1-3

Cash Flow Assumptions	YEAR 1	YEAR 2	YEAR 3
Maintenance Capex (%Sales)		0.50%	0.50%
Cash Flow Statement			
Net Income	\$4,253,269	\$4,531,949	\$4,900,427
Depreciation & Impairment	--	--	--
Amortization	--	--	--
Changes in Working Capital	(\$1,144,785)	(\$1,224,920)	(\$1,310,664)
Cash Provided by Operating Activities	\$3,108,484	\$3,307,030	\$3,589,764
Capex for Dispensary	(\$1,497,531)	--	--
Capex for Maintenance	--	(\$79,563)	(\$85,132)
Acquisitions	--	--	--
Cash Used in Investing Activities	(\$1,497,531)	(\$79,563)	(\$85,132)
Increase (Decrease) Long-Term Debt			
Sale (Repurchase) of Common Shares	\$1,914,392	--	--
Discretionary Cash Distributions	--	(\$3,172,365)	(\$3,430,299)
Cash Provided/Used by Financing Activities	\$1,914,392	(\$3,172,365)	(\$3,430,299)
Increase/Decrease in Cash & Equivalents	\$3,525,345	\$55,102	\$74,332
Beginning Balance Cash & Equivalents	\$0	\$3,525,345	\$3,580,447
ENDING BALANCE CASH/ EQUIVALENTS	\$3,525,345	\$3,580,447	\$3,654,779



OFF THE CHARTS PROFIT & LOSS STATEMENT

	YEAR 1	YEAR 2	YEAR 3
TOTAL REVENUE	\$14,871,600	\$15,912,612.00	\$17,026,494.84
COGS	\$5,723,923	\$6,124,597.61	\$6,553,319.44
GROSS PROFIT	\$9,147,677	\$9,788,014.39	\$10,473,175.40
OPERATING EXPENSES			
Payroll (Hourly Wages)	\$659,700	\$692,685.00	\$727,319.25
Payroll (Management Salary)	\$285,637	\$299,918.85	\$314,914.79
Social Security Taxes	\$58,591	\$61,520.76	\$64,596.80
Medicare Tax	\$13,703	\$14,388.15	\$15,107.56
Health Insurance	\$66,152	\$69,459.60	\$72,932.58
Time Off Allowance	\$11,499	\$12,073.95	\$12,677.65
Misc. Benefits	\$94,502	\$99,227.10	\$104,188.46
Rent	\$168,000	\$173,040.00	181692
Office/Clerical/Postage	\$3,600	\$3,800	\$4,000
Product Disposal	\$6,000	\$10,500	\$11,000
Bank Fees + Cash Transport	\$31,100	\$41,468.27	\$44,371.05
Legal/Compliance/Accounting	\$20,000	\$25,000	\$26,000
Security	\$302,400	\$314,496.00	\$327,075.84
Utilities: Electricity	\$8,420	\$8,588.40	\$8,760.17
Utilities: Sewer + Waste + Water	\$3,580	\$5,370	\$5,746
HVAC Filters	\$4,400	\$4,400	\$4,000
Phone + Internet Service	\$5,500	\$5,500	\$5,500
Computer/POS Software	\$7,200	\$7,200	\$7,200
Facility Maintenance	\$30,000	\$79,563	\$85,132
General Liability Insurance	\$16,800	\$18,000	\$18,000
Car Maintenance + Insurance + Gas	\$24,000	\$25,600	\$26,112.00
QuickBooks Accounting Software	\$3,600	\$3,900	\$4,200
Website & Hosting	\$12,000	\$15,000	\$15,000
Community Benefits	\$148,716	\$159,126.12	\$170,264.95
TOTAL OPERATING EXPENSES	\$1,985,100	\$2,149,825.26	\$2,255,791.46
OPERATING INCOME	\$7,162,577	\$7,638,189	\$8,217,384
TAXES & FEES			
Direct City Fee (6%)*	\$892,296.00	\$954,756.72	\$1,021,589.69
State License Fees	\$96,000	\$96,000	\$96,000
Federal Tax	\$1,921,012.17	\$2,055,483.02	\$2,199,366.83
TOTAL TAXES AND FEES	\$2,909,308.17	\$3,106,239.74	\$3,316,956.52
TOTAL EXPENSES	\$4,894,408.37	\$5,256,065.00	\$5,572,747.98
NET PROFIT	\$4,253,269	\$4,531,949	\$4,900,427

*6% Fee based on commitment to 6% in Section *F.4 Direct Fees to the City* within **SECTION F: COMMUNITY BENEFITS AND INVESTMENTS PLAN**



OFF THE CHARTS – BALANCE SHEET YEARS 1-3

Balance Sheet	YEAR 1	YEAR 2	YEAR 3
Current Assets			
Cash & Equivalents	\$3,525,345	\$3,580,447	\$3,654,779
Receivables	\$1,635,876	\$1,750,387	\$1,872,914
Inventory	\$1,602,698	\$1,714,887	\$1,834,929
Total Current Assets	\$6,763,919	\$7,045,722	\$7,362,623
Property & Equipment, Net	\$1,497,531	\$1,577,094	\$1,662,227
Intangibles & Other, Net	--	--	--
Total Assets	\$8,261,450	\$8,622,816	\$9,024,850
Current Liabilities			
Accounts Payable	\$735,480	\$796,510	\$835,771
Accruals	--	--	--
Total Current Liabilities	\$735,480	\$796,510	\$835,771
Long-Term Debt			
Total Liabilities	\$735,480	\$796,510	\$835,771
Investors' Equity			
Common Shares	\$1,914,392	\$1,918,986	\$1,918,986
Retained Earnings	\$4,253,269	\$4,531,949	\$4,900,427
Total Shareholders' Equity	\$6,167,661	\$6,450,935	\$6,819,413
TOTAL LIABILITIES & EQUITY	\$7,525,971	\$7,826,306	\$8,189,079

A.1.C. SCHEDULE FOR BEGINNING OPERATIONS

OTC is familiar with large-scale commercial construction, project management and operational planning as evidenced by the successful launches of all OTC stores throughout the last six (6) years. OTC has partnered with leading contractors, designers and other third party vendors in the industry to develop and implement development plans with efficiency and actualize those plans in a way that prevents delays in operational commencement. With the understanding that Santee is looking for best-in-class operators, OTC is utilizing its extensive experience in obtaining entitlement and permits to provide a realistic and conservative timeline for this process and will also work with a local contractor to ensure timely completion of all steps necessary to become operational. The following schedule provides a detailed timeline for becoming operational:

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

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

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

01/18 – 01/30/25 **Phase III Interview and Further Evaluation:** OTC to meet with the Selection Committee as part of the City's merit-based scoring efforts. Our impeccable track record and management team results in a high enough ranking aggregate score to merit consideration for recommendation by the City Council.

02/10/25 **Phase IV Zoning Clearance and Final Approval:** Selection Committee presents OTC as one of the top four ranking Applicants to City Council and recommends OTC for approval. OTC seeks and acquires a zone clearance from the City's Community Development Department – Planning Office and receives approval for a CCB Permit.

SECTION A: BUSINESS PLAN



03/05/25 **Land Use & Building Permit Process to Begin:** OTC makes appointment with Community Development Department – Building & Safety Office to submit full set of Tenant Improvement plans and other required documents to begin permitting/entitlement process.

04/05/25 **Building Permit Approval:** OTC to receive Building Permit Approval and coordinate contractor and subs to begin site work, which includes: Mechanical (HVAC + Odor Control); Electrical (Lighting); Plumbing (Restrooms + ADA Upgrade); Landscaping; and general interior and exterior architectural upgrades.

04/06-09/05/25 **Construction Timeline: Site and Building Construction:** Contractor begins 5 month process of construction for the overall site and building structure. This includes utility infrastructure and building shell.

09/06 – 10/21/25 **Construction Timeline: Interior Improvement Work:** Contractor begins 45 to 60-day process of construction for tenant improvements – minor tenant improvements required such as casework, milling, display, and decorative features, such as live plants.

09/06 – 11/21/25 **Construction Timeline: Exterior Improvement Work:** Contractor to begin hardscaping, parking lot paving and striping, landscaping, exterior painting to reflect OTC branding as displayed in renderings, ADA accessibility upgrades as well as other exterior and customer access enhancements to the site.

10/21 – 11/21/25 **Employee Recruitment:** Conduct ongoing employee recruitment and interviews of employees during build-out so training can begin upon completion of facility improvements.

10/21 – 11/21/25 **HVAC/Odor Control Install:** Air balance report and odor control system installed by registered professional; install in accordance with approved MEPs.

10/21/25 **Submit State License Application:** Submit applications to DCC for Type 10 Licenses.

11/22/25 **Mechanical, Plumbing, Fire, Electrical Inspection:** Engage City inspectors to sign off on any electrical, mechanical, fire or plumbing alterations.

12/01– 12/15/25 **Security System Installation:** OTC works with ArmorTech and Bay Alarm Company to ensure proper installation of Security cameras, biometric/RFID locks, safe, monitoring servers, alarm system and other security measures included in site security plan.

12/01/24 – 12/15/25 **Retail Floor Preparation:** Install millwork, product shelving, POS systems, stage educational materials, prepare interior lighting.

12/01/24 – 12/15/25 **Overall Facility Preparation:** Set up fixtures and equipment in Lobby, install vault and cash storage equipment, install lockers, procure and install equipment, and test ADA-compliant restrooms.

12/15/24 – 1/31/25 **Employee Onboarding and Training:** Onboarding training modules with all employees, distribute Employee Handbook. Trainings include emergency preparedness, security procedures, real-time customer simulations, inventory management, opening and closing procedures, delivery protocols and stocking procedures.

12/15/25 – 12/21/25 **Delivery Vehicle Procurement & Insurance:** Delivery vehicles transported to the Site for final inspections, outfitting and preparation for delivery operations. All vehicles reported to insurance carrier and registered prior to beginning of operations.

12/21/25 – 1/02/26 **Certificate of Occupancy Inspection:** Coordinate inspectors for final site inspection and approval of improvements; code compliance checks.



12/21/24 – 1/02/26 **Receive State Licensure:** OTC receives Type 10 License from Department of Cannabis Control. Outreach to vendors to schedule inventory delivery pending final City approval.

1/03/26 – 1/16/26 **Final Approval Received from Santee:** Final approval granted from Santee to begin licensed-compliant commercial cannabis operations.

1/17/26 **First Deliveries of Cannabis Goods:** Receive orders of cannabis goods, fill storage rooms with inventory, stage samples on Retail Floor. Continue training on inventory and stocking in preparation for opening.

1/25/26 **Open House- City Staff and Neighbors (Soft Opening):** OTC to hold Open House and Soft Opening for City staff and neighbors to discuss start of operations and address any lingering operational concerns from City staff or neighbors.

1/31/26 **Commence Operations:** Begin retail sales and delivery of cannabis goods to customers as a fully licensed and compliant Retail Cannabis Business in Santee.

Proposed Construction: Our proposed location is a .44-acre corner lot at Mission Gorge Rd & Big Rock in Santee, CA. Our intention is to construct a state-of-the-art retail facility from the ground up that optimizes the property's potential within the city's General Commercial zoning. The project is meticulously planned to include a parking lot with 12 spaces and is designed to blend seamlessly with the surrounding environment, leveraging sustainable practices throughout the construction process. We are developing the Northern portion of the parcel along Mission Gorge Rd with tree canopy and native landscape surrounding a pathway that leads to our facility. The following describes the major elements of our proposed construction and development of this lot: (1) Site Preparation – initial efforts focus on environmentally conscious grading and land preparation, aiming to preserve natural features and set the foundation for both the building and parking infrastructure; (2) Foundation and Frame Construction – laying the foundation using eco-friendly materials, followed by the erection of the frame with a focus on sustainability through the use of recycled steel and materials; (3) Roofing and Exterior Walls – implementation of energy-efficient roofing and insulated exterior walls to form the building's envelope, optimizing for energy conservation, installing EnviroFilm on all exterior glass; (4) Parking Lot Development – construction of the parking lot with sustainable features such as light-colored paving and permeable pavements, complemented by drought-resistant landscaping; (5) Interior Work – interior work includes new casework, milling, epoxy floors, installation of living walls, eco-friendly/ LED lighting installation and other design elements to create a warm and inviting environment. Additional interior work includes mechanical and electrical work for the odor control system, which includes energy efficient heating, ventilation, air-conditioning complemented by activated carbon filters installed on all intakes and exhausts for the facility, and ADA-compliant plumbing work to ensure we have an accessible restroom onsite. We also install low-drip irrigation for exterior drought-tolerant landscaping as well as waterwise fixtures for all interior faucets, toilets and other water sources; (6) Landscaping and External Features – finalizing the landscaping with native plants and adding sustainable transportation options like bicycle parking and electric vehicle charging stations; (7) Final Inspection and Cleanup – Concluding with a comprehensive inspection to ensure all standards are met, followed by a cleanup that adheres to sustainable waste management practices. The proposed construction of our retail facility will be executed in alignment with the City's General Plan and associated aesthetic guidelines promulgated in the local zoning code and other applicable sections of the SMC. As discussed above, our typical timeline for construction and improvements allocates approximately two (2) months for planning and permitting processes with five (5) months to complete the initial grading, site development and building shell and another four (4) to five (5) months to complete the remaining site work and tenant improvements contemplated by our retail operations.

A.1.C. FINANCIAL INSTITUTION LETTER

OTC partners with DAMA Financial for all banking services and other financial management assistance. DAMA Financial is a company founded by banking and payment industry veterans that works with U.S based sponsor bank partners to provide solutions and services for cash-intensive businesses in the cannabis industry. We have been working with DAMA for nearly three (3) years for all our cannabis banking needs. The following letter from DAMA Financial illustrates our relationship to this company, ensuring that OTC currently has access to banking services through DAMA and will use DAMA for our cannabis banking needs in Santee.

SECTION A: BUSINESS PLAN



10/14/24

BANKING LETTER OF INTENT

To Whom It May Concern:

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

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

We have worked with Owner Norman Yousif and provided him banking services for the following entities: Circle Muskrat LLC; Area 29 LLC; Ash's First LLC; SCZZ Collective, NYRN Management, OTC Van Nuys, Van Nuys Management, & Bryant & Gilbert LLC and others.

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

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

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

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

Respectfully-
The Dama Team

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

877.401.3262
www.damafinancial.com

A.2. DAILY OPERATIONS

Off The Charts (OTC) has quickly become the largest family-owned and operated cannabis consortium in California. Our performance throughout daily operations and the effectiveness of the standard operating procedures (SOPs) implemented at our facilities are exemplified by our profile of licensed businesses throughout California and our recent expansion to other states. We have conducted daily operations for cannabis retail and delivery across all our facilities with a perfect record of



compliance and zero serious adverse events. We are passionate about continuing to hone our skills and knowledge in the cannabis industry to improve our daily operations in new commercial cannabis ventures and are particularly excited to obtain a license Santee, where we feel connected to the community and to our San Diego County roots.

Mission/Vision Statement: We have developed the following Mission/Vision Statement that incorporates our core values and guides our approach to commercial cannabis operations in Santee and growth of OTC's overall business consortium:

Our mission in extending our family of businesses into Santee is to develop a business that balances financial health, staff development and community engagement in order to improve quality of life and socioeconomic status for Santee residents and other local stakeholders.

We envision a business that outlines and achieves measurable goals for revenue, staff development, community engagement and social equity. Our commercial cannabis retailer becomes fully operational soon after receiving local and state approval based on a rigorous development timeline. The business is financially healthy from its first day of operation, free of investor expectations, extensive lines of credit and many of the other financial hardships that are imposed on other businesses with more restrictive capitalization structures. We are able to develop a diverse local staff whose composition celebrates all different backgrounds, ethnicities and life experiences, as well as to provide staff with competitive wages and benefits packages to improve their quality of life and invest in their growth as individuals and professionals through comprehensive training and continuing education initiatives. Our high volume, low margin approach to cannabis retail allows us to offer the most expansive, high-quality products at the lowest prices in the State.

We envision a business that executes on all community engagement and reinvestment commitments instead of making speculative promises to get licensed and not following through. Our ownership and management team applies decades of experience in commercial cannabis operations with an emphasis on delivering community-driven outcomes, mobilizing their network of partners and other professionals, and capitalizing on our platform in the industry to spread awareness and make actionable change in the cannabis industry and in the community overall. We also look to build partnerships with new organizations and to contribute to local causes through monetary contributions, staff allocation for volunteering, collaborative marketing, event sponsorship and other initiatives in which our support is provided. We have the ability to carry out all of the directives in our Community Benefits Plan within the timeline allotted, and we plan to work with community officials and other stakeholders to audit our strategies for effectiveness.

Our vision ultimately helps us achieve our internal goals while simultaneously supporting the City in actualizing their own goals outlined in various sections of the Santee General Plan. We envision assisting in the accomplishment of these community goals throughout our business activities and also evaluating the City's needs over time to ensure synchronicity with the City's community goals. We look forward to helping improve health and socioeconomic outcomes in Santee through a multi-faceted approach of sponsoring community events, providing in-kind donations to charitable organizations, promoting the City's historical, cultural and social fabric, implementing local sourcing practices and additional community benefit initiatives. OTC is steadfast in its commitment to serving Santee and becoming stewards of the local business community. Our team's community-focused approach has been a large part of our success in other jurisdictions and we look forward to applying that same model in Santee, with an emphasis on public safety.

Who We Are: OTC was founded by husband and wife Norman and Darline Yousif in 2018. Norman immediately saw an opportunity in cannabis when managing his family's smoke shop in El Cajon throughout the early 2010s. So many of his customers would come in having just purchased cannabis and cannabis products from Prop 215 collectives and ask him countless questions about how to use certain cannabis products, different smoking devices and delivery methods. It was immediately apparent to Norman that there was a need for a consumer-focused approach in the cannabis industry and he and his wife began building the foundation of what Off The Charts has become today. Along the way OTC has bolstered its executive team with the addition of Chief Compliance Officer and In-House Counsel Sean Maddocks, whose incomparable acumen for cannabis compliance and operational consulting has been an important factor in OTC's perfect track record of compliance. In Santee, we are fortunate enough to complement our Executive Team with a series of local community members, public figures and experts who are helping us specifically tailor our business model and operations to meet and exceed Santee's needs. Our Community Relations Officer Loren Krumweide, recently retired after spending nearly 40 years as a Fire Protection Engineer in the City of Santee. Loren's insight as a public servant in the City of Santee helps us protect public safety and health throughout our daily operations, adhere to our Good Neighbor Policy, facilitate communication



with City Officials and local residents and form meaningful community investment strategies in Santee. We also garner input from Community Advisor Randy Burgess, who has recently retired after a 30+ year career as a decorated officer in the San Diego Police Department and has lived in Santee for the last 35 years. Randy applies his extensive experience in law enforcement to provide input on the implementation and performance of our Security Plan, and his knowledge of local values, attitudes and beliefs, having lived in this community for over three decades, guides the strategies outlined in our Neighborhood Compatibility Plan. Finally, we have partnered with former Vista City Council Member Joe Green to enhance our daily operations in a way that best serves the local community in Santee. We have been afforded this opportunity due to our tightknit relationship with regulators in the City of Vista stemming from five (5) years of compliant operations at our flagship location. Joe has overseen the commercial cannabis process in Vista and worked with us to maintain compliance throughout Vista's ever-evolving cannabis program, and his insight and perspective as a regulator will be instrumental in translating our best practices into a San Diego County jurisdiction with similar demographics and core values. We continue to leverage over 100 years of collective experience in cannabis and ancillary highly regulated industries across our ownership and management team, in Santee to optimize our daily operations, maintain a perfect track record of compliance, achieve significant revenue accrual across all facilities and build upon our already prominent status as the largest family-owned and operated cannabis consortium in California.

What Sets OTC Apart: Off The Charts (OTC) has developed technologically driven sales and inventory tracking practices that have enabled us to thrive in California's competitive cannabis industry over the last six (6) years. OTC is uniquely positioned to operate a successful business in Santee due to the following factors:

- 1) OTC is a family-owned business that is free of investor expectations, which allows us more flexibility in terms of our pricing model;
- 2) OTC has extremely low acquisition costs based on the ability to get products on terms from our distributor partners, allowing us to pass the savings onto the consumer;
- 3) OTC has formed longstanding partnerships with various operators and our good standing with these operators combined with our high retail throughput builds trust in both our process and our execution;
- 4) OTC's inventory management, control and reporting system prevents loss, guarantees consistency throughout and ensures compliance with all local and state laws;
- 5) OTC's soon-to-be operational distribution facility in National City will help optimize our internal supply chain and help us maintain a consistent supply of cannabis from leading brands at an even lower operational cost;
- 6) OTC's robust consumer education program helps our clients stay informed so new-to-market, rare or obscure products meet sales goals to ensure limited stagnation in inventory levels.
- 7) OTC has developed a local team of Santee residents and pillars of the community to ensure that the overall business model and public safety strategy meet and exceed the needs of the local Santee community

As Off The Charts' retail footprint continues to grow, we remain resolute in our family-owned approach to cannabis retail by providing an invaluable experience to our customers, maintaining a diverse staff and empowering our employees to thrive in the cannabis industry. We also engage the community by forming partnerships with local organizations and other stakeholders that work to improve socioeconomic and public health outcomes for local residents. We have been able to positively impact quality of life in every jurisdiction where we operate, especially in nearby communities such as Vista and Lemon Grove, and we truly look forward to any and all opportunities to grow our family of businesses.

License Profile: Our performance with respect to daily operations in commercial cannabis and associated standard operating procedures (SOPs) is exemplified by our profile of licensed businesses throughout California and our recent expansion to other states. Off The Charts' first cannabis business opened in Vista, CA in 2019, just after the enactment and implementation of California's legalized framework. Now five years later at the time of submitting this application in Santee, the Off The Charts family of businesses has grown to amass 20+ retail locations all over California from San Diego County all the way up to the Bay Area. Off The Charts has also expanded outside of California and opened a business in Ohio, that started as a medical dispensary but was recently among the first wave of businesses to historically begin selling recreational cannabis this year. We are in the varying phases of development for additional businesses in New Jersey and New Mexico. We have conducted daily operations for cannabis retail and delivery across all our facilities with zero compliance infractions and have diversified our operations to include distribution and manufacturing at some of our planned facilities. The following table details our commercial cannabis licenses and entitlements, which we credit largely to the success of our best-in-class SOPs and operational planning presented throughout this application:

SECTION A: BUSINESS PLAN



LICENSED CANNABIS BUSINESSES: CALIFORNIA

#	Entity Name	License #	License Type	Location	Status	Dates
01	SCZZ Collective	C10-0000552-LIC	Retail	1745 Vista Way E, Ste 7-10; Vista, CA 92084	Operating	8/12/19 – Present
02	Area 29 LLC	C10-0000729-LIC	Retail	1508 Palm Canyon Dr Palm Springs, CA 92264	Operating	6/6/20 – Present
03	Ash's First LLC	C10-0000701-LIC	Retail & Consumption	757 Williams Rd S Palm Springs, CA 92264	Operating	4/17/20 – Present
04	Winterhaven Drive LLC	C10-0000906-LIC	Retail	2115 Winterhaven Dr Winterhaven, CA 92283	Operating	11/10/21 – Present
05	Bay Tea Unlimited LLC	C10-0000866-LIC	Retail*	1535 W MLK Blvd Los Angeles, CA 90062	Operating	8/16/21 - Present
06	TigranLevonAndLav LLC	C10-0000980-LIC	Retail*	7543 Tampa Ave Reseda, CA 91335	Operating	3/8/22 - Present
07	OTC Van Nuys LLC	C10-0001037-LIC	Retail*	5242 N Van Nuys Blvd; Los Angeles, CA 91401	Operating	5/19/22 – Current
08	Circle Muskrat LLC	C10-0001078-LIC	Retail	2801 Harbor Blvd C/D/E Costa Mesa, CA 92626	Operating	6/15/22 – Present
09	Bryant & Gilbert LLC	C12-22-0000050-APP	Micro-business*	877-879 Bryant St San Francisco, CA 94103	Operating	4/11/23 – Present
10	Happy Port Industries Inc.	C10-22-0000258-APP	Retail*	1300 Pacific Coast Hwy W Harbor City, CA 90710	Operating	4/19/23 – Present
11	Survivormedz	C10-0000546-LIC	Retail	618 Pine St Ramona, CA 92065	Operating	5/1/23 – Present
12	Corona Wellness LLC	C10-22-0000089-APP	Retail	130 Industrial Way Corona, CA 92882	Operating	5/31/23 - Present
13	Aeon Botanika/ OTC WEHO	C10-0000764-LIC	Retail & Consumption	8448 Santa Monica Blvd; Los Angeles, CA 90069	Operating	6/1/23 – Present
14	OTC Perris LLC	C10-0001430-LIC	Retail	1133 Harley Knox Blvd Perris, CA 92571	Operating	02/20/24 - Present
15	Hollister Distribution Inc.	C10-0001298-LIC	Retail	5631 Calle Real Goleta, CA 93117	Operating	3/15/24 - Present
16	OTC Riverbank LLC	C10-0000204-LIC	Retail	6609 3 rd St Riverbank, CA 95637	Operating	4/5/24 - Present
17	The Nordhoff Company LLC	C10-0001461-LIC	Retail	4515 York Blvd Eagle Rock, CA 90041	Operating	7/19/24 - Present
18	OTC Sylmar LLC	C10-0001471-LIC	Retail	13741 W Foothill Blvd Ste 160-170 Sylmar, CA 91342	Operating	7/30/24 - Present
19	OTC Artesia LLC	C10-0001467-LIC	Retail	17127 Pioneer Blvd Artesia, CA 90701	Operating	9/6/24 - Present
20	KIM Investments Inc	C10-0001072-LIC	Retail	3519 Harris St Lemon Grove, CA 91945	Operating	9/12/24 - Present
21	OTC McFarland	C10-0001475-LIC	Retail	981 Frontage Rd McFarland, CA	Operating	9/12/24 - Present
22	OTC Indio LLC	C10-0001489	Retail	82632 Hwy 111 Bldg A Indio, CA 92201	Operating	10/11/24 - Present
23	OTC Antioch LLC	C10-0001504-LIC	Retail	300 G St Antioch, CA 95409	Operating	N/A
24	Ash's Third LLC	C10-0001478-LIC	Micro-business	875 Airway Pl Hemet, CA 92545	Operating	N/A



25	OTC NC LLC	TBD	Retail + Distribution	1930 Cleveland Ave National City, 91950	Under Construction	N/A
26	OTC Ventura LLC	C10-0001138-LIC	Retail	2146 Newport Blvd C/D; Costa Mesa, CA 92627	Under Construction	N/A
27	Ash & Lex LLC	C10-0001137-LIC	Retail	2424 Newport Blvd C /F Costa Mesa, CA 92627	Under Construction	N/A
28	OTC Manteca LLC	TBD	Retail	2325 W Yosemite Ave Manteca, CA 95337	Pending State Approval	N/A
29	OTC BG LLC	TBD	Retail	5605 E Gage Ave Bell Gardens, CA 90201	Pending State Approval	N/A
30	OTC Riverside City LLC	TBD	Retail	3666 Van Buren Blvd Riverside, CA 92503	Pending State Approval	N/A
31	OTC Monterey LLC	TBD	Retail	734 Lighthouse Ave Monterey, CA 93940	Pending State Approval	N/A
32	SY Enterprises, Inc.	C10-0001501-LIC	Retail	4575 Camino De La Paz, Ste F, San Ysidro 92137	Under Construction	N/A

* Social Equity Business

LICENSED CANNABIS BUSINESSES: OTHER STATES

Entity Name	State License #	License Type	Location	Business Status
OTC NM LLC	CCD-2022-0491-001	Retailer	8720 Menaul Blvd Albuquerque, NM	Operating (11/30/23)
OTC NM LLC	CCD-2022-0771-001	Retailer	750 S Main Street Las Cruces, NM	Operating (3/8/24)
OTC Ohio LLC	MMD.0700123 CCD-000101-00	Dual Use Dispensary	3145 Salem Ave Dayton, OH	Operating (6/1/24)
OTC Jersey LLC	2221	Class 5 Retailer (Adult Use)	167 New Jersey Ave Absecon, NJ 08201	Non-Operational (Under Construction)
OTC VT LLC	TBD	Retailer	448 Canal St Brattleboro, VT 05301	Pending Local Approval

Proposed Daily Operations in Santee: Our proposed cannabis retailer in Santee involves verifying and checking in customers, processing transactions, providing consumer education, managing inventory, recordkeeping, and various other day-to-day tasks that comprise the consumer-facing portion of our business. Day-to-day operations for retail are led by the General Manager, Inventory Manager and Team Lead, who manage a team of dedicated Cannabis Specialists, Verification Specialists, Delivery Drivers, Dispatchers and Security Personnel to ensure that all retail operations are conducted within the scope of compliance with Santee Municipal Code (SMC) and Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA). Our daily operations are categorized into Retail and Delivery, which are summarized below.

Daily Operations – Retail: Day-to-day retail operations are conducted with an emphasis on efficiency and compliance. This includes the following commercial cannabis activities: (1) Customers entering the Lobby where they're checked in by our skilled Verification Specialists and are then granted access to the Retail Floor if occupancy permits; (2) Customers discussing our product line of 200+ premium brands with our Cannabis Specialist and receiving educational information on different products, delivery methods, potency and absorption times, and potential side effects; (3) Customers making informed selections, remitting payment, receiving their order and exiting the facility; (4) Cannabis Specialist and Inventory Technician working to ensure adequate supply in the Retail Floor; (5) Inventory Manager working to track, monitor and transfer inventory; (6) Rending, destroying and disposing of cannabis waste; (7) Training staff on compliant and secure operating procedures; (8) Prohibiting the onsite consumption of cannabis, alcoholic beverages and tobacco by all individuals; (9) Upholding restrictions of and not causing or permitting sale, dispensing, or consumption of alcoholic beverages or tobacco products on or about the premises; (10) Prohibiting visibility of cannabis and cannabis products from the property's exterior; (11) Ensuring all products sold at its licensed retail storefront facility have been cultivated, manufactured, tested, distributed and transported by licensed facilities that maintain operations in full conformance with state and local regulations; (12) Prohibiting loitering by persons on the premises; (13) Adhering to applicable local, state and federal laws and regulations pertaining to persons with disabilities; (14) Maintaining signage and notices; (15)

SECTION A: BUSINESS PLAN



Conducting regular observations of the facility exterior to ensure odors are not drifting offsite; and (16) Working with Security to maintain adequate functions of security systems, reporting nonconformances and establishing perimeter security.

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

Daily Operations – Industry Best Practices: OTC’s incorporation of guidelines, standards, and best management practices from leading oversight agencies and regulatory bodies spans all areas of operation. Our SOPs are informed by the most current standards of excellence in other industries that closely align with commercial cannabis, and we consistently use these standards to build on our cannabis industry knowledge. We continue to supplement our cannabis industry knowledge with guidelines and best management practices developed by local, state, and federal agencies and both public and private entities in closely aligned industries. The adjacent chart outlines some of the third-party vendors, agencies, and regulatory bodies that OTC looks to in order to ensure long-term operational success, ongoing compliance, and sustained growth:

Industry Best Practices - ASTM International: Our SOPs rely heavily on ASTM National, formerly known as the American Society for Testing and Materials. ASTM is a globally recognized leader in the development and delivery of voluntary consensus technical standards for a wide variety of materials, products, systems, and services. Today, over 12,000 ASTM standards are used around the world to improve product quality, enhance health and safety, strengthen market access and trade, and build consumer confidence across highly regulated industries. ASTM’s leadership in international standards development is driven by the contributions of its members, with over 30,000 technical experts and business professionals representing 140 countries across the globe. Members create test methods, specifications, classifications, guides, and practices that create an open and transparent process for standardization. ASTM’s D37 Subcommittee on Cannabis is revolutionizing cannabis markets globally concerning quality management, security, industry best practices, and operational procedures, and the standards they are developing have implications across the supply chain. The D37 Subcommittee boasts more than 1,200 industry experts across 30+ countries. It has already published over 50 standards and with 100+ additional internationally recognized standards in development. The standards are used to develop training materials, guide certain facility design decisions, build upon our existing Quality Management and Safety and Health Management Systems, and generally help us improve as an organization. Each standard outlines a Scope, Terminology, Significance and Use, Summary, and various specific policies and procedures to follow. OTC has incorporated ASTM standards promulgated by the D37 Subcommittee on Cannabis and associated materials into our SOPs for various aspects of our operation, and these SOPs have been proven successful across all 20+ licensed cannabis operations, and the SOPs proposed in previously submitted commercial cannabis applications have awarded us another series of licenses with many of these facilities projected to become operational by the end of 2024. ASTM International Standards that have been incorporated into our SOPs include but are not limited to: (1) D8233–19 Standard Guide for Packaging and Labeling of Consumer Resin Cannabis Products for Sale to Adult Consumers, Legally Authorized Medical Users, and Caregivers in a Business to-Consumer Retail Environment (Retailers); (2) D8222–21a Standard Guide for Establishing a Quality Management System (QMS) for Consumer Use of Cannabis/Hemp Products; (3) D8250–19 Standard Practice for Applying a Hazard Analysis Critical Control Points (HACCP) System for Cannabis Consumable Products; (4) D8229–19 Standard Guide for Corrective Action and Preventive Action (CAPA) for the Cannabis Industry; (5) D8423–22 Standard Specification for Environmental



Conditions for Post-packaged Storage and Retail Merchandising of Cannabis/Hemp Flower; (6) D8286–19 Standard Guide for Processing Cannabis Product Complaints; (7) D8220–20 Standard Guide for Conducting Recall/Removal Procedures for Products in the Cannabis Industry; (8) D8308–21 Standard Practice for Cannabis/Hemp Operation Compliance Audits; (9) D8477–22 Standard Practice for Cannabis or Hemp Supplier Lifecycle Management; (10) D8245–19 Standard Guide for Disposal of Resin-Containing Cannabis Raw Materials and Downstream Products; (11) D8320–21 Standard Practice for Implementing an Information Security Program in a Cannabis Operation; (12) D8217–20 Standard Guide for Access Control System; (13) D8218–20 Standard Guide for Intrusion Detection System; and (14) D8205–20 Guide for Video Surveillance System.

Industry Best Practices – Transportation, Logistics, and Safety:

We combine transportation, logistics, and safety best practices highlighted above with a targeted approach to retail deliveries that balances customer service with logistics optimization and driver safety. Transportation, logistics, and safety for retail deliveries differ from distribution in that our drivers are transporting cannabis to our clients' residences and are traveling through areas and neighborhoods that are more concentrated with other vehicles and pedestrians and thus create a different set of hazards for retail delivery drivers. DHL and UPS are two of the nation's leading transportation and logistics companies that deliver millions of packages annually. DHL and UPS have developed their own SOPs for transportation, logistics, and safety that include everything from keeping drivers safe to loading, unloading, and route planning to interacting with customers at their place of residence,

troubleshooting logistical delays, and providing customer service in event of a lost or damaged package. We have modeled our SOPs for these same protocols in cannabis retail delivery and have garnered success across our existing cannabis businesses that conduct retail delivery. DHL and UPS offer a variety of insights and market trends that help us stay current with technological supply chain management and also help us achieve cost-efficiency and profitability. One of the most critical best practices that we incorporate for delivery is the use of OnFleet transportation and logistics software, which provides GPS tracking of Delivery Drivers, route planning capabilities, dispatch communication and other features that are likened to the software used by UPS, DHL and other transportation and shipping companies. We also incorporate the same guidelines for driver safety and vehicle management highlighted above from the National Highway Traffic Safety Administration (NHTSA) to protect our delivery drivers. Together, these guidelines and best practices are incorporated into our SOPs throughout the entire manual and are a key component of any SOP updates made when altering the manual for operations in new jurisdictions.

Industry Best Practices – Labor Relations: As described in **SECTION B: LABOR AND EMPLOYMENT PLAN**, taking care of our employees is a top priority and we empower our staff in every way to thrive in their respective positions. To this end, we incorporate best practices for labor relations at all of our businesses, which include working with labor unions and participation in collective bargaining. Most of our California locations are enrolled or are in the process of executing labor peace agreements (LPA) with UFCW and each business upholds strong labor standards in a supportive workplace environment. Our LPA's include agreements with UFCW to prevent disruptions of their efforts to communicate with and attempt to represent employees and provide UFCW with access to areas where OTC employees work to meet with employees and discuss the right to representation, employment rights, and employment terms and conditions. This includes

	Worker Practices; Sanitation and Health; Product Testing; Product Traceability and Recall; Product Storage; Receiving and Transport; Equipment Management; Facility Maintenance; Sanitary Facilities; Sanitation Practices; Waste Management; Environmental and Business Sustainability; and Security
	Standards for the development and implementation of an organization wide Quality Management System that are applied to all of our SOPs for quality control of our own systems, corrective action preventive action (CAPA) investigations and continued compliance.
	Standards for the cannabis industry that address quality and safety through the development of voluntary consensus standards and supplementary programs on proficiency testing, training and certification; incorporated in operational areas such as quality management, video surveillance, transportation, intrusion detection
	OSHA's Voluntary Protection Program (VPP) prevents fatalities, injuries, and illnesses through a system focused on hazard prevention and control, worksite analysis, training, management commitment and worker involvement; comprises the foundation of our safety education and training for all employees.
	Standards for global safety certification that are applied to the operation of our security equipment, including vault, security cameras, lighting, etc.
	Provides guidelines for our facility occupancy thresholds, fire alarm systems, evacuation protocols and other areas of fire safety
	Informs our SOPs for data security, data leakage prevention, HIPAA compliance and overall protection of our customers' transactional data
	Provides guidelines to keep controlled substances out of the hands of minors and the illicit market, informs our SOPs for product access, product security and employee theft reduction measures
	Our diversion prevention protocols are modeled after the standards included in the Supply Chain Security Act.
	Provides guidelines and standards for our security system infrastructure, including surveillance systems, wiring, connectivity, maintenance etc.
	Outlines standards for interior and exterior security lighting and incorporated in our SOPs for lighting system maintenance

Additional Agencies, Organizations and Regulatory Bodies include:





but is not limited to, a card check process, in which union agents can obtain the signatures of workers on cards in a secret ballot election authorizing the union to represent the employees. We have formed a close relationship with UFCW and all of the geographically specific sub-groups it has formed, and we have learned a lot about labor unions and organizing from our involvement with UFCW. Upon licensure, we will work to establish an LPA with UFCW 135, the local chapter for Santee, and will provide that LPA immediately upon its execution.

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

The following summaries of specific daily operations demonstrate how we have incorporated our experience and industry best practices to ensure compliance and create a superior customer experience for our proposed retail operations in Santee.

A.2.A. CUSTOMER CHECK-IN PROCEDURES

OTC has developed Customer Screening, Registration, and Validation procedures to accommodate high volumes of Adult Use customers and Medical patients at our facility. We have developed our standard operating procedures (SOPs) for check-in in alignment with the California Department of Alcohol Beverage Control (CAABC) guidelines, particularly emphasizing their strict protocols for customer identification verification and other best practices to ensure only qualified individuals gain access to where cannabis is present at the facility. Verification Specialists are responsible for confirming validity of identification for all customers. No customer or patient is eligible to access the Retail Floor or any other areas beyond the Lobby until their age and/or patient status is verified (4 CCR § 15402). If new or returning customers arrive without documentation of age and/or a current recommendation, Verification Specialists ask them to leave the facility and return with proper documentation. Verification Specialists consult the customer database for pre-existing customers or initiate membership intake for new customers. Verification Specialists buzz visitors into the Retail Floor from the separate check-in area of the Lobby only after this process is completed. No customer or patient is ever left alone in the Retail Floor without a staff member present. OTC does not tolerate divergence from check-in protocols. Failure to adhere to check-in protocol is grounds for termination. Under no circumstances are unscreened visitors allowed past the Front Desk into the Retail Floor. OTC assigns all customers unique ID numbers, and a detailed entry log is kept for all persons who check-in to the facility. Entry logs are electronically stored and retained for a period of at least seven years in compliance with record retention procedures. The following procedures provide a step-by-step overview of the compliant process for OTC's check-in and dispensing operations:

Triple Verification Process: OTC incorporates a rigorous triple verification process for age verification and identification (ID) validation to (1) Ensure all individuals on the premises are over 21; (2) Prevent sale of cannabis to minors; and (3) Avoid pitfalls of false or invalid ID that could lead to unqualified individuals purchasing cannabis. A standard customer experience begins with a customer being greeted outside of the only public entrance to the retailer by Security Personnel. A preliminary visual ID check is done before the customer is granted access to the premises; if the individual passes the

SECTION A: BUSINESS PLAN



first ID check they are directed to the lobby. The customer is greeted by a Verification Specialist within the Lobby and a second ID check is conducted using scanners integrated with our Meadow point-of-sale (POS) system. Once ID is scanned and validated, the customer is checked into the Customer Queue. The customer is then granted access to the Retail Floor where they are prompted for a third ID verification by a Cannabis Specialist before discussing any cannabis products or making a purchase. Once the customer has gone through all three verification processes, they are considered officially verified and eligible to make a purchase. The adjacent diagram provides a visual representation of the different locations where we verify age, identification and if applicable, medical documentation.

Age Verification: Customers must provide a valid government-issued ID for age verification upon entry. Adult Use customers must prove they are 21 or older, and Medical patients must prove they are 18 or older along with providing a valid physician's recommendation; no one under the age of 21 is permitted on the premises unless they are a verified Medical patient (SMC § 7.04.360(B)). OTC uses Meadow's integrated state-of-the-art ID scanners to scan the barcode of government ID, verify customers' age and confirm the identification's validity. We also confirm that the ID is not expired; any customer that submits expired or invalid identification is turned away and we request that they return with current identification. Furthermore, our intake protocol requires staff to upload photographic proof of all new customers' government-issued IDs. We have two ID Scanners synched with Meadow that are positioned at the Front Desk for pre-entry age verification purposes.

Registration of New Adult Use Customers: Verification Specialists register all Adult Use customers as either a new customer or verify an existing profile at check-in. The secure Meadow POS system requires input of customer information, including: (1) Scanned government ID; (2) Date of birth; (3) Identification expiration; and (4) Contact information and ID/registration documents. The Meadow's customer tracker assigns customer ID numbers for internal tracking and sales reporting; it also saves this information in full member profiles, so ID expiration dates and other information are easily accessible by staff. The process not only ensures vital customer information is in our database; it fosters a tailored retail experience, allowing staff to make informed recommendations based on previous customer transitions. It also enables staff to know who is currently in the facility and the amount of cannabis purchased in any given day. The customer tracker assigns each transaction to a customer's unique ID number so staff can audit the system regularly and prevent transactions above the daily limits imposed by the state (4 CCR § 15409). We create a new profile for first-time customers and ask if they would like to sign-up for OTC's loyalty rewards program; returning customers are linked to their loyalty account, so all purchases are tracked for in-store benefits. By signing up, customers provide consent for OTC to store their data within the Meadow POS system, which allows for more streamlined age and ID verification for future purchases. A customer may choose to conduct their transaction as a one-time customer which will result in the customer data still being put in the system for the purposes of the transaction after which the one-time Adult Use customer's name will automatically be removed by the POS system, protecting the customer's identity. OTC upholds stringent data privacy standards, such as assigning unique access level requirements on all stored information, ensuring personal information is handled with the utmost confidentiality and is accessible only by authorized personnel. Adult Use customers are buzzed-in through an electronic panel behind the reception desk and given access to the Retail Floor only after this process has been completed. If the Retail Floor is at maximum occupancy, we ask that customers wait in the lobby, which is outfitted with ample comfortable seating options, and view our educational materials until there is available space on the Retail Floor.

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

SECTION A: BUSINESS PLAN



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

Patient/Customer Record Protocol – HIPAA: Medical patients fill out a Membership Agreement, Health Insurance Portability and Accountability Act "HIPAA" Privacy Authorization Form and sign the Initial the Rules for Membership in addition to the Patient Information Form. Caregiver records are attached to patient profile for patients in their care. To protect the confidentiality of Medical Patients, all OTC employees undergo comprehensive HIPAA training and are responsible for exercising HIPAA protocols when addressing medical conditions and personal information. HIPAA training includes the following aspects: (1) Understanding of HIPAA Rules, including the Privacy Rule, Security Rule, and Breach Notification Rule, which are essential for safeguarding patient health information; (2) Patient Rights, including education on patients' rights to access their medical information, the process of amending health records, and the right to understand how their information may be used; (3) Handling of Protected Health Information (PHI), including digital security protocols and physical safeguards of PHI; (4) Beach Protocols, including instructions on the steps to take in the event of a data breach; (5) Regular Updates and Refresher Courses; (6) Real-world Applications and Scenarios; and (7) Employee Confidentiality Agreements, emphasizing the legal and ethical obligations of handling patient information. Additional confidentiality training includes methods and concepts designed to protect staff (such as work schedule, phone number, home addresses, vehicle information and other personal information) and facility information (Operational procedures, response protocols, network passcodes and other restricted information).

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

- 1) Greet customer warmly and ask for identification;
- 2) Make sure the customer physically presents their ID; it cannot be observed through a wallet or other carrier;
- 3) Use blacklight to verify validation points are present, specific to state ID, including: (a) First, Last Name, Middle Initial; (b) DOB that indicates customer is 21 or older; (c) Expiration Date; (d) Photograph matches the individual who presented the ID; and (e) It scans using Meadow's integrated scanner and presents as valid;
- 4) If there is confusion or uncertainty regarding the ID's validity, refer to our Unacceptable ID Visual Guide;
- 5) If the Identification is from out of state, please use the most up to date ID Checking Guide to verify authenticity;
- 6) Once the ID is deemed an acceptable type of identification, use the additional steps to verify authenticity:



- a. Hold ID and feel for: (i) Raised edges around the photo; (ii) Bumpy surfaces; (iii) Irregular lamination; (iv) Cuts, slits or pin holes; (v) Peeling lamination or uneven corners; and (vi) Thickness or quality of ID
 - b. Closely read the ID: (i) Check expiration date first and reject the ID if it is expired; (ii) Check the DOB; (iii) Check photo and ensure it matches the appearance of the individual who presented the ID; (iv) Compare consistency of printing; (v) Look for letters and numbers that do not match in font or alignment; (vi) Turn over ID and check the information on the back;
- 7) If there is any question regarding the ID's validity, quiz the person on the information listed on the ID ask for their: zip code, spelling of their middle name, address, and age. You can also ask them to sign their name and compare it to the signature on the ID or for another piece of ID (people with fake ID rarely have a backup);
 - 8) If you suspect the ID is invalid, call your Lead over so there is a witness to the interaction; if a Lead is not available call your Team Lead or the General Manager; and
 - 9) If you have confirmed the individual is not of legal age or does not have an acceptable unaltered and unexpired form of identification, calmly let the individual know that as much as you would love to help them, their identification is unacceptable, and you will be unable to allow them into the facility.



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

Visitor/Contractor Check-In: Visitors are defined as any individual who is not an owner, employee, customer or patient that enters the facility for a bona fide reason. This can include vendor personnel, contractors, equipment technicians, government officials, law enforcement officials and anyone else that OTC may define as a visitor on a case-by-case basis. Visitors are only allowed on-site if duties require access. Visitors must provide valid ID, sign into a secure logbook and wear serialized temporary ID badges at all times (4 CCR § 15042). OTC employees make a photocopy of the visitor's ID that is put into a visitor logbook along with the reason for their visit. Additionally, the time-in, time-out, and record of any access to limited access areas are recorded for all visitors and contractors. No visitor under 21 is permitted on the premises at any time. Any non-clients, media, or community members who want to tour the facility must have prior management permission management and will be issued a temporary badge if approved. Visitors are supervised at all times by a staff member. Agents of the San Diego Sheriff's Department, DCC, City and County code officers, Fire Department and other authorized representatives are granted unrestricted access for inspection, investigation, auditing, and other approved purposes (4 CCR § 17800). These individuals are still required to go through visitor check-in procedures, which are described in *C.3.A. Operational Security: Access Control Systems & Visitor Control* within **SECTION C: SECURITY PLAN**.

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



Our two-pronged approach to track and trace with Meadow and Metrc assists with verification of product source by requiring transfer manifests anytime a package moves from facility to facility. Transfer manifests are made prior to transport and can only be generated between licensed Distributors and annual licensees granted access to the state's Metrc database. All product received through a Metrc verified transfer involves a licensed product source delivered by a licensed Distributor. Confirmed receipt by a licensee results in the product details being assigned to the receiving party's inventory in Metrc's database; this is reflected in OTC's Metrc account and our Meadow POS system, which links to Metrc in real time ((BPC 26070(g)(h)). All incoming shipments of inventory are received in Vendor Intake/Delivery Staging, which is completely separated from any areas that our customers may access. Conducting delivery receipt away from any customer-facing areas ensures public safety and prevents theft or diversion by avoiding a situation where bulk cannabis goods are accessible to individuals on the facility exterior during delivery intake.

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

Rejected shipments are documented and recorded in Metrc to reflect the reason for rejection. OTC signs the Shipping Manifest, and received product is inventoried in Dispatch/Delivery once the Manifest has been confirmed and the full inspection is conducted. The Distributor is given a copy of the approved or rejected manifest, indicating the date, time, receiver's name, licensee name and license number, and any discrepancies in delivery. Meadow automatically updates when Metrc receives incoming inventory, sets a package's unit of measure prior to acceptance and creates manifests for returns, customer deliveries, and transfers. Inversely, Meadow pushes automated updates to Metrc for sales and associated package IDs, product price, changes in quantity/inventory and closed packages upon delivery. OTC's General Manager and/or Inventory Manager maintain an active roster of all employees using the Metrc system and notifies the DCC within three days if a compliance notification is not fully resolved (4 CCR § 15023(e)(2)). All required data points for receiving deliveries are entered into the Meadow POS system and automatically update in the company's Metrc account. All transactions are accounted for within 24 hours; any discrepancies are reported to the DCC (4 CCR § 15036(a)). Once all inspection and administrative requirements are met, received cannabis goods are inventoried and accounted for in our internal supply chain.

Receiving Deliveries SOP: Below is an excerpt from our SOP for Receiving Shipments of Inventory:

- 1) All deliveries must be prearranged and all personnel disclosed in advance.
- 2) All distributor deliveries are placed to OTC's vendor appointment schedule, which prevents any unannounced or non-scheduled deliveries from occurring.



- 3) Each distributor generates a shipping manifest before goods are transferred from its facility to OTC, which lists all purchased goods. Upon delivery to OTC, the distributor's delivery employee gives the shipping manifest to the OTC Manager receiving the delivery.
- 4) [REDACTED]
- 5) [REDACTED]
- 6) [REDACTED]
- 7) To maintain a clear chain of custody, the vendor provides the shipping manifest. The manifest is verified by OTC personnel to ensure it includes:
 - a. OTC's name and license number;
 - b. Distributors name and license number;
 - c. Name of the transportation driver;
 - d. List of all products included in the delivery;
 - e. All unique identifiers (UIDs) linked to each product;
 - f. Origination location and time of departure;
 - g. OTC's address and expected time of arrival;
 - h. Transportation vehicle information (make, model, license plate number); and
 - i. Any remaining information required by law.
- 8) The Manager inspects shipments prior to accepting an order. This allows for the return of products (prior to being unloaded into the storage area) due to defects in the shipment, such as incorrect products that do not match the shipping manifest, incorrect packaging/ labeling, no certificate of analysis for the batch, and expired products (4 CCR § 15052.1). Rejected shipments are documented and recorded in Metrc to reflect the reason for rejection.
- 9) Once the shipment is approved by visual inspection and matched to the list of products on the shipping manifest, the Manager accepts the shipment and transfer the products to the vault.
- 10) All storage areas are labeled, showing where each type of product is stored, such as flower, edibles, vape cartridges, topicals, tinctures, etc.
- 11) Once product enters the storage area, all product movement up to that point is entered in Metrc and Meadow including shipping manifest, date/time the shipment arrived, employee who received and inspected product, and Certificates of Analysis (COA) for the batch (4CCR § 15052.1(c)).

A.2.C. POS SYSTEM AND LOCATIONS

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



Meadow arose out of a lacking satisfaction with respect to the multitude of POS systems made available for the cannabis industry. We beta tested multiple POS systems over the years such as Cova, Blaze, IndicaOnline and Treez, and eventually ran into issues with software and customer service. We were introduced to Meadow through an industry associate and have direct line of communication with the Company's Head of Business Development, Ryan Bush. We are able to reach Ryan at any time via phone (415) 275-1692 or email at ryan@getmeadow.com. The upshot of this relationship is we are able to procure equipment immediately, make software update requests directly to ownership and receive IT support at any time, which allows us to collaborate with Meadow and evolve their product in a way that best serves our business, our staff, and our customers. The ability to have technical support and custom solutions to software issues in real time has allowed our staff to make SOPs more effectively that best serve our operations and customer. With our 18 operational stores and multiple other business launching, Meadow's customizable POS system offers OTC the best POS system solution in the market.

Meadow integrates with Metrc to create an inventory management platform with double verification and seamless integration. All required data points are first entered into Meadow, which then automatically updates data in our Metrc account. All transactions are accounted for within 24 hours and any significant discrepancies are reported to the Department of Cannabis Control (DCC) immediately (BPC § 26070(k)(1)). We use OnFleet's software and equipment for deliveries to provide real-time location monitoring, log electronic capabilities, and report fuel consumption and driver route performance.



Any information requested by the DCC regarding location and delivery routes is immediately accessed through the system and dutifully supplied. We also ensure that Meadow supports interoperability with Metrc upon any updates to the system as well as any DCC-initiated updates to the track-and-trace system. We have used Meadow POS system at all of our facilities over the last five (5) years and continue to enhance our knowledge of the program. Our ownership team, led by COO Darline Yousif, has 15+ collective years of experience using Meadow POS and Metrc between our owners. Combined with the decades or combined experience accrued by our Regional Managers, General Managers and Inventory Managers across all facilities, we have mastery of all system features and operations and are able to easily troubleshoot any issues we may experience with the system.

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

POS Locations: We are proposing the use of eight (8) POS terminals at full capacity for our proposed business in Santee. The adjacent diagram and rendering provides a visual depiction of our proposed POS terminal layout. We have arranged our POS terminals along a retail counters that provide a physical and visual barrier between staff and customers.



Four (4) POS terminals are designated for Adult Use transactions, while two (2) POS terminals are allocated to Medical transactions. Separating POS Terminals for adult use and medical transactions helps us ensure confidentiality and HIPAA compliance. One (1) POS terminal is designated as a "Flex" POS stations that can process any type of transaction during periods of high traffic. One additional terminal is also used to process online orders for Express Pick-Up, but can also be used as a Flex terminal when necessary to streamline customer flow. A surveillance camera is located at each POS terminal that allows for the recording of the facial features of any person purchasing or selling cannabis

goods or any person on the Retail Floor with sufficient clarity to determine identity. We may choose to modify our POS layout, add POS terminals, subtract POS terminals, or make other changes based on the ongoing auditing of operational performance. This thoughtful arrangement not only streamlines operations but also supports a secure, welcoming, and efficient shopping environment for our customers that is likened to the experience that we offer at all of our other locations.

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

We have gathered significant amounts of customer data from existing operations at our facility in Vista, CA, which is our flagship location that is not only the closest in proximity to Santee, but also the most applicable for comparison based on local demographics and ratios of licensed facilities in surrounding areas to overall population. Analysis of our customer metrics in Vista has given us a baseline to create an accurate representation of our customer expectations for planned operations in other locations with varying degrees of demographic comparability. In the most recent census on record (2022), the population of Santee was 59,051, which is roughly 60% of Vista's population (97,766). While our Vista and



proposed Santee locations have similarly low levels of market saturation in nearby jurisdictions, because Santee's population is smaller, we adjusted our customer projections to account for a lower population both in the City and the surrounding area.

At our Vista store, we currently process an average of over 900 transactions a day, with peak traffic reaching 1,200 per day transactions. *We estimate we will be able to process upwards of 500 transactions per day with peak traffic projections reaching upwards of 700 transactions per day at our Santee location given the population and demographic analysis highlighted above. This translates to approximately serving 40-60 customers per hour.* We have an average transaction time of seven (7) minutes per customer at our Vista location, which we believe will be replicated in Santee based

on the general experience level with cannabis observed in consumers throughout San Diego County. This average transaction time does not impact sales as we have the number of POS terminals required to consistently process transactions. We are confident our existing operational throughput can be replicated in Santee. Despite designing our ability to facilitate upwards of 700 transactions per day, our initial financial projections for Santee are extremely conservative, and we are very confident in our ability to exceed those expectations once operations begin. We pride ourselves on our customer retention rates, and our ability to be so successful in other markets comes from our propensity to incite customer loyalty and repeat business. Roughly 92% of our business over the last three months is attributed to returning customers. Our customer retention efforts allow us to ensure a steady flow of customers, while also allowing us to increase the speed of transactions and flow due to the rapport between staff and customers as well as customer familiarity with the retail space and product offerings. These higher flow-through rates allow OTC to service a high volume of customers without overflow and backed-up lines that can be a nuisance to neighbors and surrounding businesses.

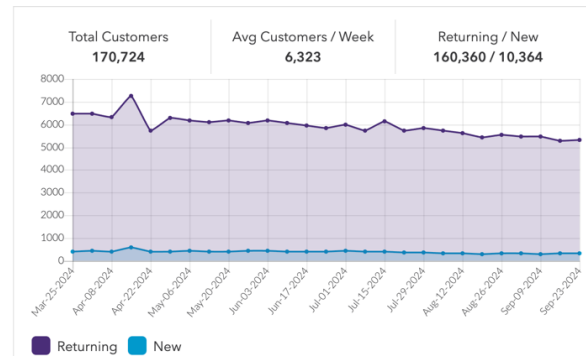
Our expectant operating costs include staffing that will allows us to service numbers in line with our other locations, but slightly more conservative projections allow us to have realistic expectations. We have developed staffing projections that include 22 employees at initial opening and 26 employees at full capacity. Sixteen (16) of these employees are customer facing and will be handling customer transactions, which we believe is sufficient and correlates effectively to our projected customer volumes. These staffing projections are outlined in **SECTION B: LABOR AND EMPLOYMENT PLAN**.

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

We have developed and implemented various contingency plans and other strategies to address peak customer traffic while maintaining both internal efficiency and integrity of the customer experience. These strategies have proven to be effective as demonstrated by gradual increases in the number of daily transactions, total revenues and customer loyalty at all 22 of our operational businesses.

Express Pick-Up (Online Ordering): Our primary strategy for peak customer volumes is our Express Pick-Up Service. This allows customers to place orders online through our website,

which is integrated with Meadow and provides full access to our entire product line. Meadow's software platform for all online orders to streamline customer flow and reduce wait times and prevent traffic-related bottlenecks in the store; Orders that are placed online through our website are populated in our in-store POS and accounts for related product movements into our inventory control and reporting system. Customers can either make an account to place an order so their information is saved for future orders, or they can place an order as a guest. Customers can then scroll through our entire menu and make product selections through the online system. Customers then have the option to pay online in advance or they can pay in-store when they come to pick up an order. Online orders prompt customers to upload the front and back of their government issued ID, which enables us to enact the same customer verification protocols we use in-store for all customers who are using the Express Pick-Up option. The Meadow online order system also has built-in purchase limits just like our in-store POS, so customers are notified and transactions are blocked when an online order has exceeded state-imposed limits. We assign Cannabis Specialists to Express Pick-Up order fulfillment, who are responsible for monitoring the order queue, packing online orders and ensuring they are ready for pick up. Once customers have completed their order, they come to the store, tell the check-in staff that they have an online order and are fast-tracked to a POS station that is specifically



Browse online and stop by!

Locations

Order Online



allocated to Express Pick-Up orders. Our Cannabis Specialists verify identification one more time in person, accept payment for the order if the customer has not already paid online, and provide the order to the customer in compliant exit packaging. Our Express Pick-Up service has proven to reduce the amount of time spent in-store by upwards of 80%, which allows us to serve more customers and maintain operational efficiency for in-store customers with ease. We advertise our Express Pick-Up service prominently to encourage this option and help us save time for both the customer and our staff. This service is offered at all our stores and will be a crucial component of managing peak customer volumes at our proposed Santee location.

Scheduling Deliveries: A primary contingency plan and strategy for logistical activities is the pre-arrangement of incoming deliveries. We have developed strong relationships with numerous distributors throughout California, who understand our product needs and help us provide our expansive product line to the customer on a regular basis. Our Inventory Manager at each store works with distributors to schedule regular deliveries of cannabis goods on a quarterly basis, with pre-arranged deliveries throughout each fiscal quarter. This system allows us to replenish inventory pre-emptively without the opportunity to run out of a certain product or series of products. We analyze the products that are most popular with our customer base in a given jurisdiction and ensure that the popularity of a given product correlates to incoming delivery frequency. This system has helped increase customer loyalty and ensure logistical cohesion as we always know when an incoming delivery is scheduled and never have to scramble to keep out shelves stocked.

Traffic Attendants: Lastly, our peak volume contingency plans include assigning staff as traffic attendants during high traffic hours. During our first weeks of operations, staff runs customer counts at all hours of the day to determine what days and times result in peak traffic and potential vehicular and customer traffic. In parallel with running traffic analyses, we employ traffic attendants from local companies during peak hours to direct vehicular and pedestrian traffic in and around the facility during high traffic hours. Our Good Neighbor Policy ensures that the community surrounding our facility is unaffected by excess traffic. The deployment of traffic attendants helps us adhere to this commitment by facilitating efficient traffic flow during peak hours. Our implementation of online, express orders, flexible POS stations, incoming delivery logistics, traffic attendants combined with our roving security patrols have all combined to allow OTC to adeptly manage peak customer volumes at even our most trafficked stores that see upwards of 2,000 customers per day.

A.2.E. PROPOSED PRODUCT LINE

OTC is proud of our ability to offer customers the highest quality cannabis and cannabis-infused products at the lowest prices. We offer thousands of products from 200+ brands that have maintained compliance in a legalized framework since MAUCRSA's passing. Our lack of corporate interest and investor obligations allows us to offer the best products at affordable prices.

Product Line Assumptions: OTC has used data derived from Headset Insights and Meadow POS Software of our operational facilities in comparable jurisdictions to come up with estimated sales percentages for Santee. ***Overall, flower, including pre-rolls, still accounts for nearly half of all sales and we project it will account for roughly 40% of our sales in Santee. Manufactured products will account for the other 60% of product sales.*** New edibles and concentrate products continue to drive increasing sales of non-flower cannabis products, but overall, our internal data and industry projections seem to agree that flower will continue to account for the largest percentage of sales for a singular product, with the varying manufactured products categories continuing to vie for increased market shares amongst consumers who prefer non-flower cannabis derivative products. In addition to data-driven product line decisions, our Inventory Manager is responsible for researching all our nearby competitors to ensure we provide the most favorable prices to our customers. Further, our managers perform 5-10 hours of market research each week through various industry trade magazines, blogs, and market reports to make sure our product selection includes not only well-known industry brands, but emerging craft producers that emphasize quality and sustainability. All our product offerings are featured on our website, which provides consumers with the opportunity to provide reviews and comments, and we constantly monitor this correspondence to better understand consumer preferences in different markets.

Data-Driven Product Decision-making - Headset Insights: Product line decisions are driven by concrete data and our collective experience in sales and retail operations. We rely heavily on Headset, which uses state-of-the-art data technology to provide a strategic outlook on retail operations and sales performance. Headset collects all transaction data as well as demographic and behavioral information from customers, removes all store level attributes from our sales data and collects



an anonymous sample from our sales data to incorporate into their forecasting algorithm. Headset uses this information to return estimates of daily, statewide sales data so we can understand the aggregated marketplace for the various cannabis goods we sell and see where our performance fits into the overall market. Headset allows us to leverage “just-in-time” product deliveries and maximize retail and secure storage space, while minimizing risk of excessive on-site inventory levels. It also enhances the performance and information we receive from our Meadow Point of Sale (POS) system so we can gain a better understanding of customer purchasing trends, performance of certain cannabis goods on our menu and gain more actionable insights from our POS reports. With Headset, we not only manage our inventory, we assign value to all components of our product line and increase our knowledge of what products perform the best in our local markets.

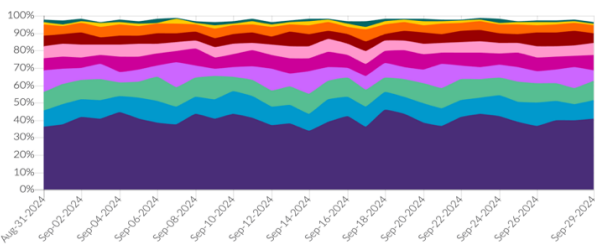


Categories Insights

Timeframe: Last 30 days by day

Category Performance Over Time

Percentage of Revenue (% by area)



#	Category	Revenue (%) ▼	Cost	Margin	Graph
1	Flower	39.3% (\$586,349.20)	\$278,114.24	52.5%	
2	All-In-One	10.7% (\$160,719.38)	\$69,331.87	56.8%	
3	Cartridges	10.7% (\$159,372.49)	\$68,762.78	56.8%	
4	Pre-Roll Packs	8.5% (\$127,583.33)	\$63,642.46	50.1%	
5	Pods	7.5% (\$112,502.03)	\$51,557.44	54.1%	
6	Edibles	6.2% (\$93,153.06)	\$40,078.37	56.9%	
7	Concentrates	5.9% (\$88,020.29)	\$41,408.58	52.9%	
8	Pre-Rolls	5.1% (\$76,763.83)	\$30,230.11	60.6%	
9	Accessories	1.4% (\$21,767.06)	\$10,887.58	49.9%	
10	Tablets	1.2% (\$18,525)	\$9,252.54	50%	

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

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

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



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



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

- **Vaporizer Cartridges:** A small, portable pre-filled concentrate cartridge for use with a vape pen or as a disposable.
- **CBD Crystalline:** Non-psychoactive cannabinoid ingested to create a calming effect with no cognitive impairment.
- **Live Resin:** Extract from fresh-frozen plants that preserve unique aroma/taste, versus dried plant used in other extracts.
- **Sugar/Sauce:** THCA crystallization mixed with terpenes, which forms an extract with sugary texture and sap-like consistency. High potency and strain-specificity with terpene-rich profiles make these a favorite amongst consumers.
- **Hash/Bubble Hash:** A potent powder, rock, or taffy like substance with trichomes containing high levels of cannabinoids. Hash oil is a comparable product created through a solvent-based chemical process.
- **Dry Sift:** Results of separating trichomes from cannabis. Kief's high amounts of cannabinoids make it a potent extract.
- **Rosin:** Solventless concentrate made by pressing flower or other material containing trichome/resin stalks at specific temperature and pressure. Contains full spectrum of compounds from original plant and doesn't involve toxic solvents.

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



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

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

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

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

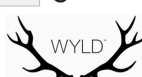
- **Balms/Cremes/Lotions:** help to relax inflammation and relieve pain in areas where applied. They are great for muscular or joint pain, arthritis, sciatica, or targeting external pain *without psychoactive effect*.
- **Oils:** Cannabinoids in oils interact with receptors in the peripheral nervous system to promote system relaxation and relief of chronic pain issues making for beneficial use in massages and other applications.
- **Transdermal Patches:** Transdermal cannabis patches are adhered to venous areas of the body and allow cannabinoids to work by entering the bloodstream for an effective and long-lasting response.
- **Soaks:** Cannabis bath soaks combine various herbs and aromatics with the healing benefits of CBD and THC. Soaks have similar properties as other topicals and do not produce any psychotropic effects.

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



Distributor Network: Below is a list of contacts we have developed with licensed distributors to source all the products mentioned above:

SUPPLIER RELATIONSHIPS	
DISTRIBUTOR	CONTACT
MAMMOTH	KANDICE@MAMMOTH.ORG
HERBL DISTRIBUTION	TGIGLIOTTI@HERBL.COM
KIVA CONFECTIONS	MEGAN@KIVA.CONFECTIONS.COM
CONTINUUM	CHRISTINA.BULLARD@CRESCOLABS.COM
PURPLE STAR MD	EDWARDSCHWARTZ3@GMAIL.COM
CALIFORNIA STATE DISTRIBUTION	SARAH@NWCONFECTIONS.COM
XTRACTA	ORDERS@XTRACTADISTRO.COM
CANN DISTRIBUTOR INC.	JOE@CANNADT.COM
EVENT HORIZONS TECHNOLOGIES	MALLORY@FLOWKANA.COM
FIRECUT	CHRISTIAN@FIRECUTLLC.COM
GREEN DAGON	DRUBIN@GREENDRAGONDISTRO.COM
GRIZZY PEAK FARMS	JR@GRIZZLYPEAKFARMS.COM
LEGION OF BLOOM	MATT@THELEGIONOFBLOOM.COM
BMPK INC.	JT@KINDCOUNTYFARMS.COM
CANNA-RISE	CARLOS@CANNA-RISE.COM
LITTLE COTTAGE CAREGIVERS LLC	CAVIARGOLDNORCAL@GMAIL.COM
GANJA GOLD	BALFREY@GANJAGOLD.COM
SUBLIME MANUFACTURING	ANTHONY@SUBLIMECANNA.COM
PM OAK LLC	MEAGHAN@PAPAANDBARKLEY.COM
JBTB	THOMAS.UNGERECHT@SHRYNEGROUP.COM
CALIFORNIA LOYAL, INC	GRANT@BLOOM.FARM
CRÈME DE CANNA	CATHERINE@CREMEDECANNA.COM
BOUTIQUE UNLIMITED	SHEGARTY@BUDISTRO.COM
CAPITOL COCOA, INC.	KELLY@SOLDISTRO.COM
EMERALD FAMILY FARM DISTRIBUTION	CARRIE@EMERALDFAMILYFARMS.COM
FUTURE2 LABORATORIES	JON@FUTURE2LABS.COM
INDUSTRIAL COURT	MALEXANDER@FALCONBRANDS.COM
KOROVA	JOAQUINR74@GMAIL.COM
LBS DISTRIBUTION	AARONV@LBSDISTRIBUTION.COM
LOWELL	PAUL@THEHACIENDA.COM
MAVEN PRODUCTIONS	AMBER@MAVENMVN.COM
NABIS	SID BECKER (925.389.0785)
OZ DISTRIBUTION	ROSIE.YAMAT@GMAIL.COM
PACIFIC ORGANIC WELLNESS	BRENDANRUH@GMAIL.COM
RIVER DISTRIBUTION	PATRICK@ALTA.COM
SONOMA PACIFIC DISTRIBUTION	DANIEL@SONOMAPAC.COM





A.2.F. LOCAL AND STATE COMPLIANCE

OTC has a demonstrated record of compliant operations in the cannabis industry and ancillary highly regulated industries. Our perfect record of compliance is exemplified by 7+ years of operating multiple businesses in California's heavily regulated cannabis industry. This includes the entire process from submitting competitive applications for cannabis permits in local jurisdictions to post-licensing compliance and operations. Our owners and managers are experts in compliance with MAUCRSA and are well versed in additional regulations promulgated by the DCC as well as the additional regulations and guidelines promulgated by ancillary organizations and regulatory bodies at the local, state and federal level. Our compliance record in California's cannabis industry extends to 20+ licensed operations operating without a single compliance violation over the last five (5) years. Our owners and managers completely understand each of the regulatory agencies that provide oversight for our businesses and the associated regulations they promulgate factor into compliant operations for a cannabis retail storefront and delivery company. The following includes an outline of the various local laws and state regulations that are incorporated into our SOP's to ensure sustained compliance, including various provisions of the Santee Municipal Code:

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

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

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

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

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

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

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

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



signage depicts any image of cannabis or cannabis products. We also never use permanent banners, flags, temporary billboards, or other prohibited signs.

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

SMC § 7.04.360(K): Our public operating hours are limited between nine 9:00 A.M. and 9:00 P.M., seven days a week.

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

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

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

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

SMC § 7.04.380(A-E) RETAILER, NON-STORE FRONT RETAILER AND MICROBUSINESS DELIVERY VEHICLE REQUIREMENTS: We provide the following information to the City before commencing delivery operations:

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(1) Proof of ownership of the vehicles or a valid lease for any and all vehicles that are used to deliver cannabis or cannabis products; (2) The year, make, model, color, license plate number, and numerical vehicle identification number (VIN) for all vehicles used to deliver cannabis goods; (3) Proof of insurance as required in SMC § 7.04.300(B) for all vehicles used to deliver cannabis goods; (4) The information required by SMC § 7.04.380 in writing for any new vehicle that will be used to deliver cannabis goods before using the vehicle to deliver cannabis goods; and (5) Any changes to the information required by SMC § 7.04.380 in writing within 30 calendar days.

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

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

SMC § 7.04.420(B): Provide the City Manager with evidence of a valid state license authorizing delivery operations.

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

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

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

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

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

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

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

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

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

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

SMC § 7.04.310(A): OTC maintains accurate books and records in an electronic format, detailing the revenues and expenses of our business at Santee, and all of our assets and liabilities for at least seven (7) years. At least once a year, or at any time upon request by the City, OTC will file a sworn statement detailing the revenue and number of sales during the previous twelve-month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement



will also include gross revenues for each month, and all applicable taxes paid or due to be paid. On an annual basis, OTC will submit to the City a financial audit of the business' operations conducted by our independent CPA.

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

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

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

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

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

Operational Requirements - Track and Trace (BPC §§ 26067 – 26069; 4 CCR §§15034, 15049, 15049.2, 15050, & 15051): We utilize Meadow POS software for electronic tracking and storage of required sales records, delivery manifests and inventory that exceed the minimum track and trace requires promulgated by the Department of Cannabis Control (DCC). Meadow integrates with Metrc to create an inventory management platform with double verification and seamless integration. All required data points are first entered into Meadow, which automatically updates data in our Metrc account. These state regulations comprise the foundation of our track and trace SOPs, which have been implemented in our 21 California facilities without any events of inventory loss, major discrepancy or diversion event.

Operational Requirements - Inventory (4 CCR §§ 15034, 15049, 15052.1, 15423 & 15424): Our robust inventory management control and reporting system allows us to account for all cannabis goods in possession at any given time while preventing the theft and diversion of these cannabis goods to minors and/or the illicit market. This applies mainly to significant discrepancies in inventory, track and trace reporting, acceptance or rejection of shipments. These regulations comprise the foundation of our inventory management SOPs, which have been implemented in our 21 licensed California facilities without any events of inventory loss, major discrepancy or diversion.

Operational Requirements - Waste Management (4 CCR § 17223 & Division 30 of the Public Resources Code): OTC stores, manages and disposes of cannabis waste in accordance with waste management laws. This entails the following core principles: (1) Secured waste storage is separate from cannabis product storage and traditional waste; (2) Waste must be rendered unusable and unrecognizable prior to disposal; and (3) Waste is tracked per 4 CCR § 15049(b)(5). These regulations comprise the foundation of our waste management SOPs, which have been implemented across all 21 licensed California facilities without any waste-related adverse events.

Operational Requirements - Security (4 CCR § 15042-15047): All OTC security operations are conducted within the scope of compliance with these and additional regulations. This includes rigorous policies and procedures for Premises Access Requirements, the Licensee Employee Badge Requirement, Video Surveillance System and balancing state



compliance with integration with San Diego County Sheriff's Department surveillance systems, Security Personnel, locks and the alarm system. These regulations comprise the foundation of our security SOPs, which have been implemented across all 21 licensed California facilities without any security breaches, theft, loss or other serious adverse event.

Operational Requirements - Purchase Limits (4 CCR § 15409): We adhere to all state-imposed purchase limits to ensure compliance and facilitate public health. These regulations comprise the foundation of our transactional SOPs, which have been implemented in our 18 operational licensed California facilities without any customers exceeding their purchase limits. We advise customers of daily purchase limits set by State law.

Operational Requirements - Recall (4 CCR § 17226 – 17227): We adhere to all voluntary and mandatory recalls for cannabis that has been discovered to be misbranded, deteriorated, adulterated, contaminated or any other negative effects. Recalls can happen at any point in time and in various parts of the supply chain and we are always ready to enact our recall procedures. These regulations comprise the foundation of our recall SOPs, which have been implemented in our 21 licensed California facilities without any adverse events.

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

Operational Requirements - Posting and Advertising (4 CCR § 15039–15041.7): We prominently display our local commercial cannabis business license and DCC state license in plain sight for all customers where it can also be viewed by state and local agencies. We only deploy marketing and advertising efforts after we have obtained reliable up to date composition data demonstrating that 71.6% of the audience viewing the advertising or marketing is reasonably expected to be 21 years of age or older. OTC's marketing and advertising does not use depictions of minors under the age of 21, does not contain the use of objects such as toys, inflatables, movie characters, cartoon characters of any other display, depiction or image designed in any manner to likely be appealing to minors under the age of 21, does not advertise free cannabis foods or product giveaways such as buy one get one, free products with donations or contests/ sweepstakes. We never sell or transport cannabis goods that are labeled as beer, wine, liquor, spirits, or any other term that may create a misleading impression that the product is an alcoholic beverage. We use age affirmation to verify that all recipients of direct, individualized communication are 21 years of age or older. We also verify this information before adding any potential customers to our mailing lists or subscriptions to receive further direct marketing materials. These regulations and prohibitions comprise the foundation of our marketing and advertising SOPs, which have been implemented in our 21 licensed California facilities without any violations.

Retail Operational Requirements (BPC §§ 26070 – 26071; 4 CCR § 15402-15413): All OTC retail operations are conducted within the scope of compliance with local, state, federal and additional regulations. These regulations are woven into the framework of all Business Plans, Operating Plans and SOPs. Operational topics for Retail SOPs include age and ID verification, check-in procedures, processing transactions, customer service, opening and closing procedures, cash handling, recall, customer education, track and trace, purchase limits, cannabis discounts and various other topics that comprise day-to-day operations in a cannabis retail storefront environment. These state regulations comprise the foundation of our retail SOPs, which have been implemented across all 21 licensed California facilities without any citations or violations.

Delivery Operational Requirements (BPC § 26090; 4 CCR § 15414-15427): All OTC delivery operations are conducted in compliance with local, state, federal and additional regulations. These regulations are woven into the framework of all Business Plans, Operating Plans and SOPs. SOP topics include, but are not limited to, delivery employees, deliveries facilitated by technology platforms, delivery to a physical address, cannabis goods during delivery, delivery request receipt, and retailer premises-to-retailer premises transfer. These regulations are the foundation of our delivery SOPs, which have been implemented across all 21 licensed California facilities without any serious adverse events.

Protection of Minors (BPC § 26140): We understand the sensitive nature of our business and the associated responsibility we have to protect minors from exposure to cannabis and insulate them from its potentially negative qualities. This includes rigorous measures to keep cannabis products out of the hands of youth, public health outreach and education to local families about preventing access to cannabis, collaboration with local organizations and stakeholders to further advance our



understanding of the local landscape, marketing and advertising protocols that ensure our public-facing communications to do not appeal to youth, and many other best practices to protect minors, All of this is amalgamated in our Youth Protection Plan, which is further described in **SECTION E: NEIGHBORHOOD COMPATIBILITY PLAN**.

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

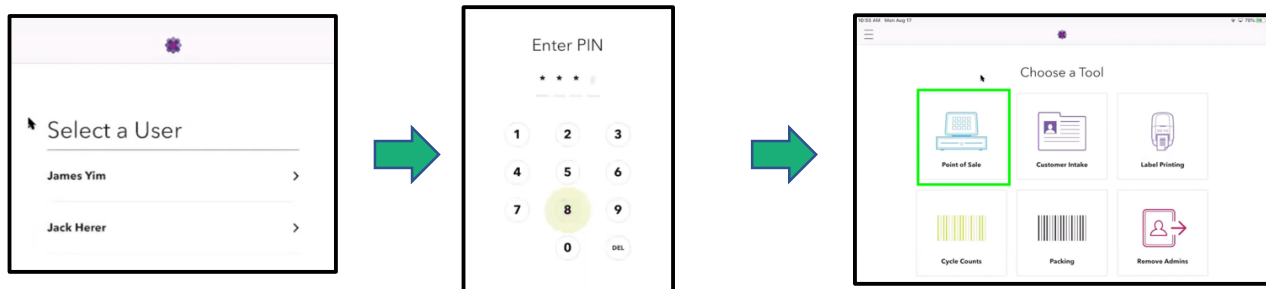
Compliance Audits: OTC, its owners, and staff all recognize that the cannabis industry is continually evolving. This means that regulations, including local and state laws, are in a constate state of flux. Accordingly, OTC’s Chief Compliance Officer and general counsel is responsible for constantly monitoring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

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

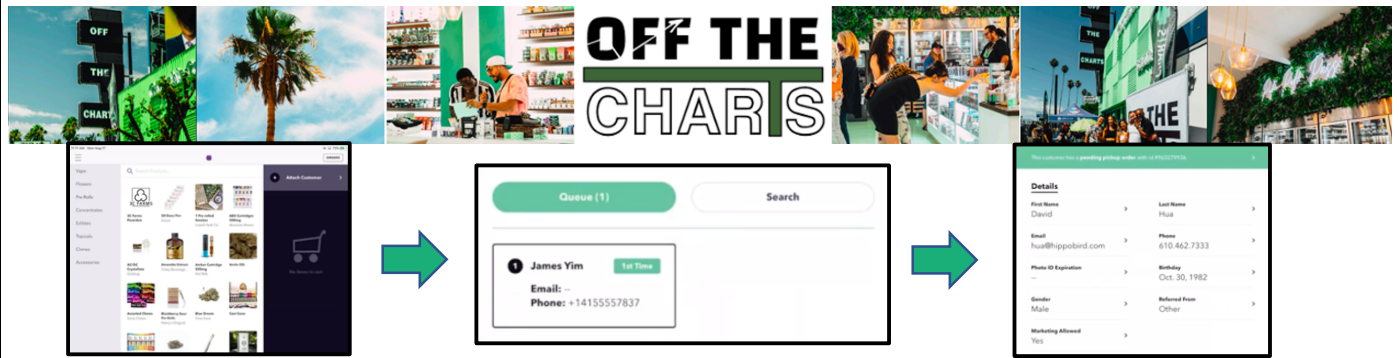
Our inventory control and reporting system is engineered to prevent diversion by meticulously tracking the location, quantity, and detailed descriptions of all cannabis products throughout the retail process, up to the point of purchase. The robust integration of Meadow and Metrc enables us to capture critical data for every product in our inventory at any given time, including: (1) A clear item description for easy identification; (2) Precise quantities for each item; (3) Receipt dates and times; (4) Applicable sell-by or expiration dates; (5) The name and license number of the distributor or business that transported the cannabis goods; (6) A comprehensive cost breakdown, including taxes, delivery costs, and any other cost (4 CCR § 15423); and (7) Any other information required by local or state law (4 CCR § 15423). Below are some of Meadow’s features that allow us to track and monitor all products held within our internal supply chain and utilize this data to prevent diversion to minors, the illicit market or other nefarious parties:

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

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



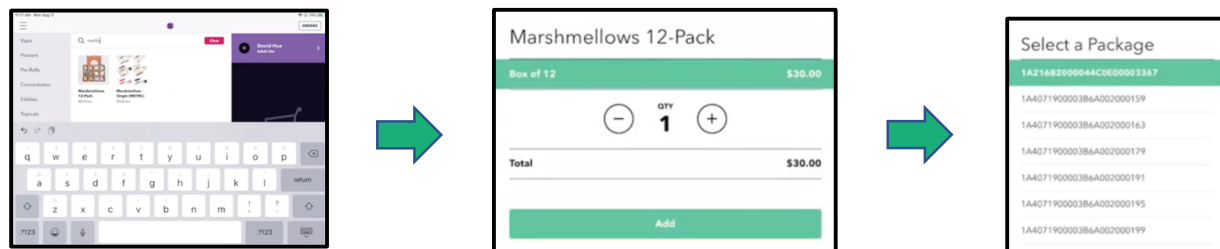
Step 2: Cannabis Specialists are then brought to the home screen where they can view all available products and begin creating the customer’s order. Cannabis Specialists select “Attach a Customer” and are then brought to the Customer Queue. Members who have been added to the ‘Customer Queue’ are populated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



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

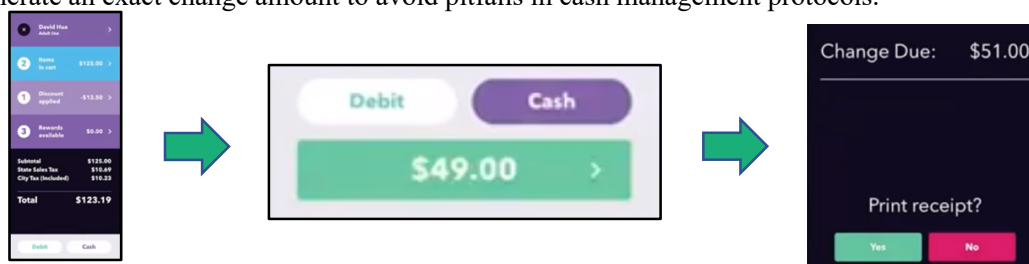
Step 4: From the sales screen, Cannabis Specialists either scan product barcodes or manually select products from the menu to add them to the order using the integrated Meadow POS hardware. If they don't have immediate access to a barcode scanner or their retail label isn't scanning properly, they can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

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



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

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





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

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

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

Inputting New Inventory: Once all inspection and administrative requirements are met, the received product is inventoried in Dispatch/Delivery and entered into Meadow as inventory received; the delivery manifest is also uploaded into Meadow as an attachment.

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

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

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

Product	New Amount	Operation	After
Green M8 - Cookies, 3.5g (1000)	- 1		
Product: Green M8 - Cookies, 3.5g (1000)			
Product: Green M8 - Cookies, 3.5g (1000)			
Product: Green M8 - Cookies, 3.5g (1000)			
Product: Green M8 - Cookies, 3.5g (1000)			

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

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



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

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

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

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

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

Sell-Through Records: Perhaps one of the most important aspects of our approach to cannabis retail are our Sell-through Procedures. Industry experience has taught us the importance of product freshness upon receipt and how it impacts the product's quality over time until it is sold. To this end, our SOPs for receiving product have been adapted to require the Inventory Manager to check the date of testing in addition to the basic Certificate of Analysis and to reject any product that was not tested within the past sixty (60) days. Meadow aids in this process by allowing us to log all product into our inventory with a sell-by or expiration date that varies by SKU. For example, all cannabis flower has a sell-by date that is one hundred and fifty (150) days from the date of testing. Meadow allows us to input automated reminders of when a specific products sell-by date is 30-, 14-, and 7-days away. Our Managers use these alerts and work with staff and our marketing team to try and ensure sell-through of products whose sell-by dates are approaching. When soft-sales and in-store promotions do not work, our Management Team sends out automated deal texts to subscribing customers to offer promotional terms on any product set to expire within 7-days to ensure product is sold prior to our internally set sell-by date. Our Receiving and Sell-Through Procedures have been developed and honed within the past 2 years and serve as a great example of how we have used Meadow to help evolve our SOPs and exceed customer expectations in delivering the freshest, top-quality products.

A.2.G.I. DIVERSION PREVENTION

Maintaining cannabis goods within the complaint supply chain and preventing the diversion of cannabis goods to minors and the illicit market are imperative to operating a compliant cannabis businesses that protects public health and safety. Our inventory management, control and reporting system helps prevent diversion at all costs and has proven to be effective across 20+ locations without a single reported instance of diversion. To fortify our commitment to diversion prevention we meticulously integrate best practices from esteemed local, state and federal agencies into our Standard Operating Procedures (SOPs) for diversion prevention, specifically, we have consulted the following guidelines: (1) Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use, which recommend comprehensive security protocols and robust inventory management systems; (2) American Society of Health System Pharmacists Guidelines on Preventing Diversion of Controlled Substances which focus on the critical role of education in mitigating diversion risks; and (3) Various provisions within Title 21 of the Code of Federal Regulations (CFR) promulgated by the Drug Enforcement Administration's (DEA) Diversion Control Division which mandate detailed record-keeping and reporting for all transactions involving controlled substances. By harmonizing our operations with these guidelines and



regulations, we not only uphold the highest standards of security and accountability but also contribute to the broader goal of promoting safe and responsible cannabis use within the community. Our proactive approach to diversion prevention underscores our dedication to compliance and reflects our commitment to safeguarding the well-being of our customers and the integrity of the legal cannabis market.

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

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

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

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

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

Personnel Management: Positions that provide access to accounting and financial records are subject to high-level background checks, covering credit history and encounters with local, state and federal law enforcement. Product and cash handling assignments involving high level Meadow data are given to established employees instead of new hires. Applicants with inconsistencies in resumes or interviews will be considered of expressing questionable character and will no longer be provided further consideration.

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

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

Diversion Training: All management is required to complete FEMA IS-200: Basic Incident Command System for Initial Response and FEMA IS-916: Theft & Diversion courses, preparing them to adeptly handle incident command and prevent asset diversion in a cannabis retail environment. This training empowers managers with the necessary skills for coordinating



responses to security incidents and enforcing measures against unauthorized cannabis distribution, ensuring regulatory compliance and the integrity of our operations.

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

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

- 1) The General Manager works with the Security Consultant to record initial information about the situation, and propose scope and nature of the investigation, including information about inventory, accusations or allegations.
- 2) The General Manager and Security Consultant provide this information to the CEO, CCO and COO and set a time within 24 hours to strategize on investigation in a formal meeting.
- 3) OTC notifies the City Manager, local law enforcement and the DCC as soon as possible within 24 hours of discovery in the event a reportable event (theft, diversion, losses, or other as required) is discovered. See Discovery of Diversion, Theft and/or Loss Notification SOP for this process.
- 4) All parties take immediate action to secure and protect, from destruction or interference, any relevant accounting, administrative, or security records.
- 5) If deemed necessary, OTC suspends an employee if there is evidence of misuse of resources or if the employee's continued presence may interfere with the investigation.
- 6) The CEO, CCO and COO review the initial report to determine who should be involved in the initial meeting mentioned in Step 1; this may include an external investigator and/or legal counsel.
- 7) OTC works with the Security Consultant, local law enforcement and/or legal counsel to record an Investigative Plan that includes the outline from Step 1, a proposed witness list, a requested evidence list (including surveillance), planned interview questions, and a process for retention of documentation. The investigator has the authority to interview employees, contractors, and other witnesses if necessary; to inspect facilities and records; and to request information the investigator deems relevant and necessary to the investigation.
- 8) The Security Consultant implements the Investigative Plan and provide updates to the CEO, CCO, CCO and other individuals as required at appropriate time intervals.
- 9) The Security Consultant prepares and reviews a draft report with the other members present during the initial meeting in Step 1. This report includes the scope and nature of the allegations, including dates and times, a record of how and when the incident came to the company's attention, parties involved, key factual and credibility findings (including sources), interviews conducted, evidence reviewed, employer policies/guidelines and applicability to the investigation, conclusion reached, party or parties responsible for final determination, recommendations, and issues that could not be resolved and reasons for lack of resolution.



- 10) If the report is deemed sufficiently complete, OTC and the Security Consultant determines a course of action. This initial report is submitted to the City Manager, local law enforcement and the DCC within 7 days of discovering the event.
- 11) OTC takes the actions determined in Step 10. Actions may include: disciplinary measures up to and including termination, training programs, modifications to the standard operating procedures, modification to the Security Plan or Security System, or other actions as appropriate.
- 12) OTC updates the report as necessary from Step 7. The final report must include actions taken and must clearly document a good-faith basis for any actions taken during or as a result of the investigation.
- 13) If this investigation is in response to a reportable event, OTC provides the final report to the City Manager, local law enforcement and the DCC through the appropriate communications channel highlighted in Discovery of Theft, Diversion and/or Loss Notification SOP; This final report shall be submitted to the City Manager, local law enforcement and the DCC within 30 days of discovering the discrepancy.
- 14) The Security Consultant follows up with oversight from the CEO, CCO and COO as needed. This includes reviewing surveillance to ensure new SOPs are being implemented correctly, informing other employees of the outcome of the investigation, asking employees for feedback on the investigation or actions taken, or other follow-up as appropriate.

A.2.H. WASTE MANAGEMENT

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

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

(5) Cannabis waste is weighed and rendered unusable and unrecognizable on camera prior to disposal; and (6) OTC maintains accurate and comprehensive records onsite regarding cannabis waste that accounts for, reconciles, and provides evidence of, all activity related to the generation and disposal or deposition of cannabis waste.

OTC complies with the rules of Santee and the State of California regarding the disposal of cannabis and cannabis products. OTC adheres to the following policies: (1) OTC will dispose of or destroy any unused, unsold, contaminated, or expired cannabis; (2) OTC will give primary importance to public safety, compliance as well as environmental impact; (3) OTC policy assures that, in the process of disposal, cannabis is not available to unauthorized persons; (4) OTC will use a licensed disposal company or compliant procedures to dispose of cannabis; and (5) OTC synchronizes all waste inputs with Meadow POS and Metrc to ensure all disposed products are tracked, documented, and subtracted from overall inventory management, control and reporting system. Meadow training is a requirement of all Santee employees prior to participating in operational tasks as it is necessary to comprehend active and disposed of inventory weight(s) and amount(s), product reconciliation processes, and all other secure waste disposal aspects.



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

Security Measures: Security is of utmost concern in the disposal process. Our green waste disposal processes and procedures are visually audited implementing both an on-site managing inspector and recorded surveillance video footage. All employees are educated and trained to understand that trash receptacles are common staging areas for cannabis products diversion. OTC will always use transparent waste bags to discourage product diversion. OTC creates and maintains a written log to record all destruction and disposal activities. The log includes, at a minimum, the date of destruction, type and quantity of product disposed of, manner of disposal, and persons present during disposal, with their signatures. Under no circumstances is cannabis waste disposed of in a waste receptacle not in control and possession of OTC. Public access to designated receptacle or area is strictly prohibited.

Security Personnel monitor waste bins awaiting disposal to ensure no persons tamper with the bins.

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

SB 1383 Compliance: OTC maintains compliance with the California Senate Bill (SB) 1383 throughout all waste management operations. SB 1383 is a statewide effort to reduce emissions of short-lived climate pollutants by reducing organic waste disposal to 50% by 2020 and 75% by 2025. Organic waste in landfills emits 20% of the state's methane, a



climate super pollutant 84 times more potent than carbon dioxide. By collectively managing organic waste throughout all business activities, OTC vows to become an active contributor in the fight against climate change. Organic waste designated for disposal by OTC under SB 1383 includes primarily cannabis waste but may also include: food waste such as fruit, vegetable scraps, bones, eggshells and leftover prepared foods; yard waste such as leaves, branches, grass, whole plants and other byproducts of our landscaping maintenance; and food-soiled paper such as napkins, applicable to-go boxes, tea bags, paper plates and coffee filters. Waste items that are prohibited for disposal in the organic waste container at OTC facilities are designated for recycling or disposal in their own respective waste receptacles include: Glass; Cans or metal; Plastic; Plastic bags; Plastic packaging (Recycled in separate containers when applicable); Pet waste; and anything else not considered organic waste.

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

Non-Cannabis Waste: At OTC, our dedication to sustainability is woven into the fabric of our daily operations, guided by the Three R's of Sustainability: Reduce, Reuse, Recycle. Separate recycling containers are placed throughout the facility for both employees and patrons to facilitate the segregation and convenient collection of recyclables. Electronic waste is collected and brought to certified recycling centers. We emphasize sustainability internally, but part of being compatible with the neighborhood involves encouraging residents of Santee to be stewards of the environment too. In an effort to promote recycling community-wide, we offer discounts to customers who bring packaging from previous visits back for reuse. Such a program encourages patrons to play an active role in reducing waste in the cannabis industry as well as minimizing packaging waste. OTC's recordkeeping system incorporates the goal of eliminating paper records in the scope of compliance whenever possible to reduce our overall waste contribution.

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

A.2.1 CUSTOMER EDUCATION

Our Consumer Education Plan (CEP) accounts for various approaches to educating customers about cannabis so they are well-equipped to make purchasing decisions and how to use products in a way that is safe and healthy. Some education is delivered directly through interactions between Cannabis Specialists and customers along with digital/in-person seminars and events efforts while other educational content is delivered indirectly through signage and marketing. Our CEP takes into account that individuals are different in terms of cannabis' relationship with their physiology. Managers are responsible for implementing the CEP, supporting and training Cannabis Specialists to actualize the CEP, developing educational tools to best support our customer base and providing as-needed scientific expertise. Managers also play a lead role in establishing policies to review and improve the CEP. Cannabis Specialists support Managers by adhering to the guidelines of the CEP, working directly with purchasers to answer their question and observing trends in the educational needs of our customers. We look to hire empathic Cannabis Specialists who facilitate smooth and helpful interactions with purchasers. Our educational materials help establish consistency in service and instill invaluable knowledge in our customer base.

Implementation, Monitoring and Evaluation: All OTC employees are required to undergo rigorous training on the CEP prior to beginning their tenure with the retail storefront. Training provided to the agents ensures they are well equipped to



assist customers in all aspects of their Adult Use and Medical cannabis needs. All employees are required to pass a written examination demonstrating their continued knowledge and retention of the written policies and SOPs included in the CEP: a score of at least 85 percent is required to pass. We conduct regular surveys of our customers to determine the effectiveness of educational materials and ask them to rate each of our materials on a scale from “Useless” to “Highly Informative.”

Educational Topics - Product Quality Data: Every product that we carry is tested by an independent, licensed testing laboratory for various factors that comprise overall quality. All products stocked on our shelves have passed laboratory testing, have not been misbranded or adulterated and do not contain any impurities. Our staff undergoes rigorous quality control training to understand how to handle, store and dispense products in a way that ensures the highest possible quality, and we only work with distributors and other operators who embody the principle of quality. When prompted, our Cannabis Specialists are able to discuss a product’s Certificate of Analysis (COA) and guide our customers through each aspect of the COA and communicate our rigorous product quality standards to the customer. Typically, a product’s external COA has partial information about potency and terpene content, and customers must access the entire COA through a QR code on the label; our Cannabis Specialists are trained in how to access the full COA using an OTC device on the Retail Floor and walk customers through all aspects of the COA including test results for residual solvents, residual pesticides, microbiological contamination, and heavy metals. We also make our product quality policy available in print upon request and provide information about the policy on our website.

Educational Topics - Compliance with Regulations: We provide information on the Covina Municipal Code’s cannabis-regulations and MAUCRSA along with a statement of compliance regarding how we meet and exceed each of provision of the regulations. This is available in print upon request but typically we make this information available electronically on our website.

Educational Topics – Additional topics: Our CEP disseminates an extensive array of cannabis-related information in addition to product quality data and compliance. We believe the following topics provide an excellent foundation for cannabis education in addition to the topics mentioned above:

Variety of Products: We ensure customers are familiar with all products offered at the facility, including flower, oils, edibles, and tinctures. We train our employees and make information available to customers on different products effects, absorption times, best methods of use, and the source and techniques used to make products.

Potency and Effects: Each individual’s endocannabinoid system is different which can elicit varying cannabis effects between individuals. We like to advise users to “start low and slow”—to encourage purchasers to start with a low dosage and slowly increase intake for maximum efficacy and minimal risk of negative experiences. We provide guidance on dosing and self-titration to determine the best dosage and product for personal physiologies. We develop testimonials on the effects of products available to customers via our website menu. We also make studies and other reports on product effects available as a resource for customers and employees.

Side Effects: Customers and patients should know what to expect when it comes to potential side effects that the body and mind may incur upon consumption, and we make a consistent effort to ensure that no purchases are made without this knowledge imparted on the customer. Cannabis Specialists are responsible for informing customers and alleviating any concerns they may have regarding cannabis effects on their cardiovascular, respiratory, neurological, and other physiological systems.

Absorption Times: OTC educates customers on the absorption times for different compounds contained in available products and discuss this with customers during consultations and at the time of purchase. Our instruction on safe consumption includes a discussion of the potency levels of various cannabinoids in products and how fast the absorption of these compounds can take effect based on product type, cannabis delivery method, metabolism, and other customers’ experiences.

Allergy Information: Some products such as edibles contain potential allergens such as peanuts, other tree nuts, certain dyes, vegetable glycerin and other ingredients that may pose an allergic threat to some customers. Cannabis Specialists are transparent about allergens and are trained to always ask customers buying products if they have any food allergies to avoid allergic reactions.



Health Concerns/Age Restrictions/Safe Consumption: We inform customers of all health concerns associated with smoking and consuming cannabis products and known effects of various products on certain conditions such as heart disease or Chronic Obstructive Pulmonary Disease (COPD). Signs also state health risks are associated with consuming cannabis during pregnancy.

Driving Under the Influence: We educate customers regarding the universal prohibition against driving under the influence of cannabis including penalties for infractions of this law, which range from probation to fines, license suspension, or jail time.

Purchase Limits: We advise customers of daily purchase limits set by State law. For Medical Patients, these include no more than 12 immature plants, 8 oz of dried cannabis or the plant conversion, unless they have a recommendation allowing for different limits. For Adult Use consumers, the daily limits include no more than 28.5g of dried cannabis, 8g of cannabis concentrate, and 6 immature plants.

Delivery Methods: Our Consumer Education Plan features the following methods of disseminating information about cannabis, our products, our company's ethos and other topics:

Printed Materials: We provide printed educational materials including original pamphlets and brochures, third-party materials, peer-reviewed articles and a guide with a list of additional educational resources. All purchases are accompanied by a general cannabis safety and use pamphlet. We also offer printed publications from Americans for Safe Access, CDPH, and other sources. Print materials are available in the Lobby and at each POS terminal. Offering educational materials in print form provides customers with a resource to review and reference, and may encourage follow-up questions and research. We review and update these resources monthly to ensure customers and patients are basing decisions on the best available resources.

Website Materials: We offer a wide variety of educational materials on our website that includes original content, blog posts, links to reputable information sources, access to 3rd party materials and peer-reviewed articles. Our education guide, which provides purchasers with additional educational resources, are also published on-line. All website content is curated and managed by the management team.

In-Person and Digital Seminars (Webinars): We produce and distribute a variety of both in-person and online educational seminars as part of our CEP. Seminars and/or webinars are held quarterly and are produced by the management team. Some examples of OTC webinar topics include but are not limited to: Cannabis & Pain Management; Sessions on Cannabinoids, Terpenes & Beneficial Cannabis Components; Cannabis Safe Use; Proper Dosing, Delivery Methods & Release Times; Wellness & Support Groups; Responsible Cannabis Use & Awareness; Medical, Psychological Benefits & Dangers of Cannabis Use; Meditation & Relaxation Classes; and Health Information & Community Resource Information.

Signage: We offer indirect education support through carefully placed signage throughout the interior and exterior of the facility. Signage contains information about driving under the influence and youth consumption and is aligned with educational materials that clients receive with their orders. Additional educational signage is posted in various locations throughout the facility. Signage reinforces all of the education about cannabis and safety that we provide through visual and print materials and discussions with clientele.

Auditing and Modification: We routinely audit our CEP to ensure we are providing up-to-date information, including potency, effects of products, as well as cannabis safety and its relationship with our health and the community. We also solicit and incorporate feedback from customers on the efficacy of educational materials. We evaluate and update materials included in the CEP regularly and are always looking for new sources and materials to offer as part of the OTC experience.

A.2.I.I. PUBLIC HEALTH OUTREACH

Our customer facing messaging, educational materials and front-end approach are also focused on responsible use in the context of proactive public health outreach. Our main goal is to ensure the health and wellness of each and every customer that walks through our doors, and a population-based approach to public health outreach that is specifically tailored to the demographic composition of each jurisdiction is imperative to accomplish this goal. Employees are trained to evaluate a customer's experience and tolerance based on history of use along with any other aspects of their health status or risk. We advise new users to start with a low dosage and slowly increase intake for maximum efficacy and minimal risk of negative



experiences. Elderly customers or medical patients with certain conditions are advised on how cannabis may exacerbate the negative side effects of these conditions. Cannabis Specialists are prepared to discuss safe use practices to ensure responsible consumption, basic drug interactions with cannabis, self-titration practices, developments in the field of the medical use of cannabis and efficacy of different products. We are extremely communicative with our customers regarding the messaging surrounding the potential side effects of cannabis. Responsible use includes the recognition of these side effects and knowledge of the potential ways to mitigate them; Our public health outreach materials help customers understand the health risks of cannabis. Pamphlets, written materials and other health-related resources from Americans for Safe Access (ASA), the California Department of Public Health (CDPH) and other agencies and organizations are provided free to all customers upon request. ASA's printed literature helps individuals discover how to safely use cannabis and provides information on how cannabis has been reported to support various medical conditions. The CDPH provides a variety of customizable cannabis fact sheets that focus on responsible and safe consumption. We display a variety of CDPH fact sheets in the Lobby and on the Retail Floor. We guide our customers through the following delivery methods to ensure responsible use upon purchasing cannabis goods from our retail storefront or delivery service. Below are some of the topics we emphasize throughout our public health outreach efforts:

Inhalation: Employees instruct customers to dose one inhaled puff, wait at least one (1) hour, and evaluate the effects. If the effect was not sufficient and without side effects, then re-dose with two (2) puffs and wait one (1) more hour. Continue this method until the desired results are achieved.

Oral Ingestion: Cannabis Specialists instruct customers to begin test dosing with no more than a quarter (1/4) of the manufacturer's recommended edible dose. If after three (3) hours the dose was not sufficient to feel the desired effects, increase the dose by the same increment (1/2 recommended dose) and wait at least another three (3) hours before re-dosing.

Drug Interactions: Cannabis affects how other drugs, medications, and supplements are absorbed, metabolized, and eliminated from the body. Reports of harmful interactions are uncommon. Clients taking other drugs, medications, or nutritional supplements, must consult a physician before use. Combining cannabis with alcohol, prescription or nonprescription drugs, over-the-counter medications, or supplements may increase impairments, side effects and efficacy concerns. We are transparent with our customers about how cannabis may interact with other medications and cause or interact certain health conditions and ensure that they know this information prior to making a purchase.

Mental Health: Even without a history of mental illness, some individuals are sensitive to the psychoactive side effects of cannabis. Our educational materials include information about resources provided by The Substance Abuse & Mental Health Services Administration: and other local providers as well as the National Suicide Prevention Lifeline: (suicidepreventionlifeline.org) if cannabis is impacting an individuals' mental health.

Pregnancy: Cannabis constituents pass through breast milk and to a developing fetus during pregnancy. Use of cannabis while pregnant or nursing may increase developmental risks.

Respiratory Disorders: Inhaling cannabis may further aggravate respiratory and other related issues.

Heart Conditions: Cannabis use can lead to cardiovascular effects such as increased heart rate, lowered blood pressure, or increased blood pressure with excitement or anxiety.

Overall Impairment: Cannabis use may cause impairments that can affect day-to-day activities, as well as job performance. Consumers should not drive or operate heavy equipment while impaired or participate in responsibilities and activities that require focus and attention, such as childcare.

Cannabis Use Disorder: As with any substance or medication, individuals should be aware of the signs and symptoms of substance use disorders and constantly re-evaluate how cannabis and other substances affect their overall health, relationships, and quality of life.

Counteracting Negative Effects of Cannabis Use: We encourage our customers to report any symptoms or health concerns that may arise regardless of whether they are relieved by cannabis.

Risks of Unregulated Cannabis: Cannabis sold through the legal marketplace is subject to industry-wide rules and standards, covering everything from potency to clean production practices. Conversely, cannabis sold on the illegal market



comes with no such protections, and may be tainted with mold, fungi, pesticide residue, or other contaminants that pose a threat to the health of those who ingest it.

Adverse Event Reporting: We incorporate guidelines for adverse event classification and reporting in the event that customers experience a serious adverse event, which is defined by the Food and Drug Administration (FDA) as an event that could eventually result in death, are life threatening at the time the individual experiences the event, require or prolong inpatient hospitalization, result in persistent or significant disability or incapacity, or result in a congenital anomaly. Important medical events may also be considered serious when, based on medical judgment, they may jeopardize the person exposed and may require medical or surgical intervention to prevent one of the outcomes listed above. Serious adverse events caused by cannabis are extremely rare, but we still want to equip our customers with the information necessary to report these occurrences to the proper channels and get the help they need expediently. We help our employees understand the seriousness, expectedness and relatedness of an adverse event, which are the three ways to classify serious adverse events and how these factors can help them communicate through the proper channels to get the help they need. If a customer experiences a serious adverse event, we conduct a thorough investigation into the product(s) they purchased and may execute recall procedures depending on the investigation's results.



SECTION B: LABOR & EMPLOYMENT PLAN

At OTC, our ethos revolves around the profound belief that our employees are an extension of our overall family and their growth is integral to our company's overall success. When we began building out our labor, employment, and human resources programs, we conducted a comparative extensive analysis of some of the most successful companies in the nation that exemplified innovation and forward-thinking business practices. We found that the most successful companies are the ones that provide: (1) extremely competitive compensation, (2) comprehensive training, (3) opportunities for skill enhancement both in and out of the workplace, and (4) an environment where employees genuinely enjoy coming to work. These businesses also heavily emphasize the onboarding process to ensure employees have the tools to thrive from their first day and throughout their careers. With this insight, we have crafted policies and procedures to cater to the unique needs of the cannabis industry, setting new standards for labor and employment practices within our sector.

We believe diversity is critical to developing a team that is best able to serve the community of Santee. Accordingly, OTC hires, trains, and develops local talent from all backgrounds to cater to our clientele. Owners Norman and Darline Yousif are instrumental in achieving this goal, whose diverse backgrounds and dedication to inclusion shape our approach to community engagement and employee recruitment throughout their family of businesses. CEO Norman Yousif was born in Baghdad, Iraq and immigrated to the United States at a very young age. Darline is a first-generation American whose family immigrated to the United States from Iran. Community Relations Officer Loren Krumweide has recently retired after a decades-long career as a public servant in the Santee Fire Department, and his understanding of the local community's socioeconomic landscape and core values will help us assemble and manage a staff that reflects Santee's true demographic composition. Together, our Owners' unique perspectives, combined with their ability to form local relationships, will aid us in the process of recruiting, understanding the local landscape of diversity and inclusion, and sourcing local individuals residing in Santee to be proud employees of OTC.

Our Human Resources Coordinator, June Jeong, is the driving force behind achieving the most beneficial labor, employment, diversity, and inclusion outcomes. June is a performance-driven leader whose talents lie in strategic planning, employee engagement, dispute resolution, mentoring and coaching aimed at strengthening the development of individuals and organizations. June is a subject matter expert in Human Resources Management, having held executive-level positions in Global Fortune 100 companies such as Hyundai Global to publicly traded companies such as BBCN, the nation's largest Korean American regional bank. June was also appointed to the National Organization of Women Business Owner's Board of Directors (NAWBO), Los Angeles chapter, in June 2017. In this role, June will continue NAWBO's mission to propel women entrepreneurs into economic, social and political spheres of power worldwide. Her 20+ years of experience with other companies led her to start her own venture, eqHR, which provides clients with a full-service human resources platform offering an array of essential HR services from payroll consulting to employee handbook development and more. Her company boasts a profile of 100+ clients from a diverse range of professional sectors including finance, marketing, science, food and beverage and more. June's experience overseeing hundreds of clients and thousands of employees while working closely with startups makes her an essential source of knowledge for our team.



Between local hiring, heightened pay, extensive benefits packages, employee-focused practices, diversity programs, continuing education and a comprehensive training program, OTC is becoming a driving force in job creation and retention in California cannabis retail and throughout the nation. We look forward to creating meaningful and fulfilling opportunities for residents and diversifying the workforce composition in Santee's already thriving local business economy.

B.1. NUMBER OF EMPLOYEES

Position	Headcount (Opening)	Headcount (Capacity)	Compensation Figure	Payroll (Opening)	Payroll (Capacity)
Chief Executive Officer (CEO)*	1	1	\$120,000	\$6,000	\$6,000
Chief Operating Officer (COO)*	1	1	\$100,000	\$5,000	\$5,000
Chief Compliance Officer (CCO)*	1	1	\$120,000	\$6,000	\$6,000
Community Relations Officer (CRO) ^A	1	1	\$65,000	\$10,833	\$10,833
Community Advisor [#]	2	2	N/A	N/A	N/A

SECTION B: LABOR AND EMPLOYMENT PLAN



General Manager	1	1	\$65,000	\$65,000	\$65,000
Human Resources Coordinator	1	1	\$61,401.60	\$61,401.60	\$61,401.60
Inventory Manager	1	1	\$70,000	\$70,000	\$70,000
Team Lead	1	1	\$61,401.60	\$61,401.60	\$61,401.60
Cannabis Specialist	5	7	\$21.50/hr [†]	\$224,357	\$314,100
Verification Specialist	3	3	\$20.00/hr [†]	\$125,220	\$125,220
Dispatcher	2	2	\$20.00/hr [†]	\$83,480	\$83,480
Delivery Driver	2	4	\$20.00/hr [†]	\$83,480	\$166,960
TOTAL	22	26	--	\$802,173	\$975,396

[†]Roles paid at least \$20.00/hr and tips.

[#]Role paid through OTC Corporate

^{*}Executive salaries are pro-rated across twenty (20) operational locations

[^]Role pro-rated across six (6) Southern CA Regional locations

Based on the above table, OTC will employ 22 employees at its opening. OTC will transition to 26 employees when the facility reaches full operational capacity, which we expect to be within 1-year of opening.

B.2. EMPLOYEE RESPONSIBILITIES

Our roles and responsibilities are outlined based on a tiered structure of staff levels with delineated job functions. Leadership is comprised of the Chief Executive Officer (CEO), the Chief Operating Officer (COO) and the Chief Compliance Officer (CCO); these C-suite managers are responsible for the management and oversight of employees and ensuring all employees understand their roles within the overall organization. We are staffing the proposed business with the following roles:

Chief Executive Officer (CEO): The CEO is responsible for providing leadership in all aspects of the retail storefront and delivery service and overseeing all areas of operation. The CEO maintains a birds-eye view of the entire operation and looks for ways to increase operational efficiency and performance. The CEO is responsible for ongoing compliance efforts to ensure that all operations and documentation are being executed in the scope of compliance with the Medicinal and Adult Use Cannabis and Safety Act (MAUCRSA), the Santee Municipal Code (SMC) and any applicable federal regulations. The CEO incorporates best practices for facility design and outfitting of a cannabis retail storefront by combining his previous knowledge of commercial real estate, his extensive experience in operating cannabis retailers for six (6) years and his emphasis on adherence to local design guidelines to ensure that all of OTC's facilities blend with the overall community aesthetic. He also runs monthly and quarterly reports, remits tax payments to the city, State and Distributors and serves as the face of the store at public functions, including city meetings and hosted community functions. The CEO is trained in all roles at the facility in case he needs to replace or cover staff in cases of emergency. Annual salary for the CEO is projected to be \$120,000 and is prorated across 20 OTC operational businesses.

Chief Operating Officer (COO): The COO is heavily involved in day-to-day operations concerning product procurement, sales strategy development, inventory management, control, reporting and various other product-driven aspects of cannabis retail. The COO maintains and expands her network of licensed cultivators, manufacturers, and distributors to ensure a consistent supply of cannabis goods and builds relationships with these entities to get favorable terms on products over time. The COO incorporates data and analytics into all sales strategies by tracking which products perform the best in sales and maximize return on investment. The COO also collaborates with the Human Resources Coordinator to deliver the best possible experience for our employees and ensure staff retention. Finally, the COO coordinates with all other roles affiliated with marketing and advertising to develop targeted campaigns in various formats and responsibly communicates relative information to OTC's clientele. Annual salary for the COO is projected to be \$100,000 and is prorated across 20 OTC operational businesses.

Chief Compliance Officer (CCO): The CCO is responsible for overseeing all regulatory affairs, ensuring that our operations fall within the scope of compliance with all local and state regulations on a continual basis. The CCO handles all state licensing work such as renewals and modifications, participates in all compliance inspection and audits our standard operating procedures to ensure ongoing compliance after changes in regulations. The CCO is also responsible for assisting the COO and Inventory Manager with compliance operations that are focused on inventory management, control, and reporting. This includes oversight of inventory audits, recalls, generating inventory reports, communicating with management regarding inventory discrepancies, managing electronic and physical inventory records and various other leadership tasks. The CCO is a key contributor to the development, implementation, evaluation, and auditing of all operational SOPs and works to ensure compliant day-to-day operations from the first day of business and that each employee

SECTION B: LABOR AND EMPLOYMENT PLAN



is aware of the procedures to complete their day-to-day tasks. The CCO is our primary interface with the local and state government and uses his legal background to proactively prevent any compliance issues from arising. Annual salary for the CCO is projected to be \$120,000 and is prorated across 20 OTC operational businesses.

Community Relations Officer (CRO): The CRO is the facility's direct link to the community as a community liaison and is responsible for all public relations, community reinvestment initiatives and social equity strategies. The CRO is a fixture in the local community and develops relationships with community members and regulators at the local level, ensuring that OTC is consistently a well-respected contributing member of the Santee business community. The CRO is primarily responsible for maintaining community commitments outlined in our Community Benefits Plan and communicates with local business partners and other equity partners with respect to cross-promotional ventures and joint community initiatives. The CRO is responsible for OTC's Good Neighbor Policy outlined in the Neighborhood Compatibility Plan and is the dedicated community relations contact whose responsibilities are mandated in the SMC. As the community relations contact, the CRO is OTC's direct line of communication to the public, the City, and neighbors with respect to proactively addressing and responding to complaints, including those relating to noise, light, odor, loitering as well as vehicle and pedestrian traffic. The CRO's name, telephone number(s) and email address are provided to the City along with all neighboring businesses and other establishments within 500' of the facility; his contact information will also be available on our website for clients and other community members. The CRO administers directives to create community engagement schedules, deploy company resources to meet these community engagement goals, analyze the performance of community benefit initiatives and create a holistic connection between our employees and local community members. Annual salary for the CRO is projected to be \$65,000 and is prorated across six (6) regional operational businesses in Southern California.

Community Advisor (CA): The CA guides policy with respect to community engagement and ensures that all engagement strategies and initiatives are adequately addressing community needs. The CA also audits marketing materials and educational materials to remain in alignment with youth protection measures and collaborates with other owners and managers in various aspects of the business. The Community Advisor is a part-time position who is paid to provide feedback on local community needs and works with OTC's CRO and broader Community Benefits team to ensure funds and services are being efficiently deployed in the Santee community. The CA is paid \$50/hr directly from OTC Corporate and is not allocated payroll from the Santee business.

Human Resources Coordinator (HRC): The Human Resources Coordinator is focused on building out a great experience for our employees, from the interview process to their first annual review and beyond. She collaborates with leadership, Coastal Payroll, iSolved and other third party vendors to build out OTC's human resources platform, hiring process, onboarding and offboarding procedures, payroll, and benefits program. Her day-to-day responsibilities include making sure all of the systems are running smoothly and efficiently through the use of technology and feedback from the team. The Human Resources Coordinator is also focused on creating and maintaining a great work environment, which includes a beautiful working space and Break Room to strengthen our team's unity and overall company culture. The Human Resources Coordinator is the primary driver of company culture and provides guidance and development opportunities to all employees. Annual salary for the HRC is projected to be \$61,401.60.

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



necessary for maximum consumer and employee safety. The General Manager has expansive knowledge of state regulations and their understanding of local and state regulations in the context of OTC's business strategy makes them a key contributor in the development, implementation, evaluation and auditing of SOPs for retail and delivery operations. Annual salary for the GM is projected to be \$65,000.

Inventory Manager: The Inventory Manager oversees all day-to-day operations regarding inventory management, control and reporting. They include receiving deliveries of cannabis goods, verifying shipping manifests, confirming the presence and accuracy of all Manifests and Certificates of Analysis, maintaining environmental conditions in the Secure Storage Room, conducting inventory audits, generating inventory reports, communicating inventory discrepancies to management, managing electronic and physical inventory records and various other day-to-day tasks. The Inventory Manager knows how to troubleshoot problems in Metrc and Meadow and coordinate with other staff members to resolve issues in a timely fashion. The Inventory Manager is a key contributor to the development, implementation, evaluation and auditing of all inventory-related SOPs and works to ensure compliant transfers of inventory between other licensees. The Inventory Manager knows the complete inner workings of Meadow, Metrc, OnFleet and Headset and is responsible for ensuring that all commercial cannabis activity is recorded in these programs. The Inventory Manager works with the CEO, COO, General Manager, and other relevant management personnel to ensure inventory management is conducted within the scope of OTC's overall sales strategy and any alterations made to this strategy. Annual salary for the Inventory Manager is projected to be \$70,000.

Verification Specialist: Verification Specialists are responsible for screening customers at entry to ensure no minors or unqualified individuals gain access to the premises and preventing diversion at all costs. They are trained in age verification procedures to ensure only legal patrons enter the facility, specifically adult use customers over the age of 21 years old. They will ensure a customer is introduced to a Cannabis Specialist for product questions and will also assist by packaging products and processing sales transactions. They are typically stationed at the reception desk in the lobby for check in but may roam the facility to assist with verification at the point-of-sale. When assisting at the point of sale, they ensure products are placed in an opaque package before they are taken off the premises, but do not have access to inventory. Annual salary for Verification Specialists is projected to be \$41,740, which is derived from their hourly rate of \$20.00 multiplied by 2,087 hours. Verification Specialists are also afforded tips and gratuities.

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

Cannabis Specialist: Cannabis Specialists comprise the front line of our incomparable retail experience for adult use and medical customers and ensure ongoing compliance with local and state verification and transaction-specific provisions. Specialists are responsible for servicing the needs of guests and preventing theft of cannabis through day-to-day transactional protocols. Specialists advise on product decisions that align with the benefits sought by clients and oversee them when samples are being inspected. They provide product information, dosage recommendations and information on ingestion. All Cannabis Specialists are trained in processing sales transactions, cash handling, Meadow POS Software operation, Metrc integration, and tracking cannabis goods at all stages of the internal supply chain. They are also responsible for screening customers at entry, carrying out age and identification verification procedures to ensure only legal patrons enter the location, managing customer and patient flow in the facility, introducing customers to the General Manager for product questions they cannot answer, and also assisting by placing product in exit packaging. Specialists provide excellent customer service in all scenarios, and our training program provides them with all the knowledge, tools and technology to carry out these responsibilities. Annual salary for Cannabis Specialists is projected to be \$44,870.50, which is derived from their hourly rate of \$21.50 multiplied by 2,087 hours. Cannabis Specialists are also afforded tips and gratuities.



Dispatchers: Dispatchers manage all transportation operations for the delivery element of our operation, which includes outgoing deliveries of cannabis goods to customers at qualified addresses. Operations include planning routes, prioritizing routes in accordance with time of order and logistical efficiency of routes, processing phone-in and electronic orders, supporting drivers and processing pick-up and delivery orders, compiling identification for orders, verifying addresses before packaging orders, packaging orders in accordance with order requests and attaching invoices to orders waiting for pick-up or delivery. Dispatchers oversee a team of full-time Delivery Drivers to ensure a steady supply of transportation labor allocated to retail deliveries. Dispatchers coordinate with the GM to ensure there is a consistent supply of cannabis goods flowing throughout the internal supply chain through careful oversight of transportation and logistics. Dispatchers also ensure adherence to all transportation security protocols, such as confirming the presence of a Tuffy tactical lockbox in the vehicle, confirming no cannabis is visible from outside the vehicle, and enforcing our distracted driving policy. Annual salary for Dispatchers is projected to be \$41,740, which is derived from their hourly rate of \$20.00 multiplied by 2,087 hours. Dispatchers are also afforded tips and gratuities.

Delivery Drivers: Delivery Drivers are the core of our transportation operations. Delivery Drivers are both front-end and back-end employees, making retail deliveries to clients as well as coordinating with the Dispatcher regarding route assignments and inventory. They are responsible for communicating with customers in preparation for transporting cannabis to a client's address, reviewing and submitting trip plans and ensuring delivery manifests are consistent with delivered products and addresses where deliveries are occurring, confirming delivery, loading and unloading cannabis goods and cash in and out of delivery vehicles, maintaining delivery vehicles, validating government-issued ID, and obtaining photographic confirmation of customer documentation. Delivery Drivers are trained in all aspects of the Meadow POS system and OnFleet transportation and logistics platform to ensure compliance with all local and state requirements for delivery. Delivery Drivers are required to hold steady communication with Dispatchers throughout their delivery routes. Annual salary for Dispatchers is projected to be \$41,740, which is derived from their hourly rate of \$20.00 multiplied by 2,087 hours. Delivery Drivers are also afforded tips and gratuities.

B.3. EMPLOYEE BENEFITS

Our staff is afforded one of the most competitive benefits packages offered in the cannabis industry to date, reflecting our dedication to fostering a thriving and holistic workplace environment,. The following summarizes each of the traditional offerings contained within our benefits package, such as health and dental insurance, along with some additional, more innovative benefit offerings like wellness reimbursements:

Health Insurance: Employees who work 30 or more hours per week are eligible for group healthcare benefits. OTC offers its employees a variety of coverage options, which include extended coverage of children, spouses and dependents. Salaried employees are eligible after 30 days of employment, and hourly employees are eligible after 60 days of employment. Below is a sample breakdown of our plan offerings and OTC contributions.

Salary Employees

Silver 70 HMO 1800/55:	-OTC contribution towards employee: 70%
	-OTC contribution towards dependent: 40%

Gold 80 HMO 250/45:	-OTC contribution towards employee: 60%
	-OTC contribution towards dependent: 40%

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

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

Delta Dental PPO Premier Enhanced 1800:	-OTC contribution towards employee: 70%
	-OTC contribution towards dependent: 40%

VSP (Vision):	-OTC contribution towards employee: 70%
	-OTC contribution towards dependent: 40%

Hourly Employees

Silver 70 HMO 1800/55:	-OTC contribution towards employee: 60%
	-OTC contribution towards dependent: 20%



Gold 80 HMO 250/45:

- OTC contribution towards employee: 50%
- OTC contribution towards dependent: 20%

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

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

Delta Dental PPO Premier Enhanced 1800

- OTC contribution towards employee: 60%
- OTC contribution towards dependent: 20%

VSP (Vision)

- OTC contribution towards employee: 60%
- OTC contribution towards dependent: 20%

CA Disability Insurance: The Employment Development Department (EDD) administers state Disability Insurance (SDI); this provides benefits when staff can't work due to illness/injury that is not work related. Benefits are based on earnings, and the first seven days of an employee's claim is a waiting period during which no benefits are payable. Employees can get claim forms from their doctor or any office of the EDD by phone, letter, or in person. The 7-day waiting period is waived when someone who already served the waiting period for the initial disability benefits claim files a second benefits claim for the same or related condition within 60 days after the first period of disability.

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

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

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

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

Job Title	Vacation After 1 Year Until End of 2 Years	After 3 Years of Service	Maximum 5 Years of Service
Cannabis Specialists, Delivery Drivers, Verification Specialists	1 week	1 week	3 weeks
Team Lead, Dispatcher, Human Resource Coordinator, General Manager, Inventory Manager	1 week	2 weeks	4 weeks
CCO, CEO, COO, and CRO	2 weeks	2 weeks	4 weeks

Employees become eligible for 120 hours of paid leave after 5 years of service. Further, all staff are provided paid time off or overtime for prescribed company holidays each year.

Employees are encouraged to use all vacation during the 12-month period after it has been earned. Every effort is made to grant an employee their vacation at the time they desire. However, vacations cannot interfere with OTC's operation and, therefore, written requests for vacation time off must be submitted to an employee's supervisor for approval at least seven days in advance.



when feasible. The amount of time requested cannot exceed the accrued amount. If any conflicts arise in requests for vacation time, preference is given to employees with the most seniority and/or the last time vacation was taken. Vacation requests involving travel must be submitted for approval prior to booking travel, i.e., requesting vacation with the stipulation that travel arrangements have been made does not guarantee the time off request and may result in disciplinary action if the request cannot be granted and the time off is taken. Employees may not “cash out” vacation time while employed, nor can employees be paid vacation time as an additional paycheck in lieu of using vacation time. If an employee is on an approved leave of absence of less than five (5) days, the employee’s vacation eligibility is not affected. If a paid holiday occurs during an employee’s scheduled vacation, the employee receives holiday pay for that day, and the employee shall not be charged for a vacation day on the day the holiday is observed.

Sick Pay: Paid Sick Leave provides employees with a measure of wage/salary continuation when they are absent from work. Paid Sick Leave may be used for employee illness or injury, as well as the diagnosis, care, treatment of an existing health condition, or preventive care for themselves or a family member. Paid sick leave is available if an employee or a member of the employee’s family has been the victim of a crime and the employee needs to take time off to attend judicial proceedings relating to the crime. Employees who are victims of domestic violence, sexual assault or stalking may also use paid sick leave time. Employees can use available Sick Leave in the event of the death of an immediate family member or the family of a spouse. Paid Sick Leave cannot be used for non-health-related matters such as tardiness, to extend a vacation or for absences of non-scheduled workdays. Requests for use of sick leave benefits can only be for a day on which an employee is scheduled to work or when they are called to report to work. Employees accrue Sick Leave on their first day of employment and can use Sick Leave after working at least 30 days. Paid Sick Leave is credited to employee banks of time based on employee classification, which relates to an employee’s hourly commitment.

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

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

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

Maternity Program: OTC endorses a healthy work/life balance and quality time with family. We want to provide as much coverage as possible by allowing eligible employees time to adjust to their new life and bond with their children. Eligible employees are categorized as primary caregivers who have been with the company for at least six (6) months prior to leave



and are welcoming a new child to their family either through birth or adoption. Together with the state of California, OTC offers the following Maternity Leave Program:

- 1) **Primary Caregiver Leave:** for up to 12 weeks of paid leave. OTC will supplement California Paid Family Leave so that eligible employees are paid 100 percent of wages for up to 12 weeks.
 - a. California Paid Family Leave (PFL):
 - i. In the state of California, Paid Family Leave provides up to eight weeks of partial wage replacement benefits to bond with a new child.
 - ii. Provides approximately 60 to 70 percent of your wages during your leave.
 - b. OTC Paid Family Leave:
 - i. OTC will pay 40% of wages for the first 8 weeks of leave. Following that, OTC will ensure you receive 100 percent of your wages for the remaining 4 weeks.
- 2) **Flexible Options:** Employees can choose when to take their Parental Leave - either in one continuous period or split into two periods within 12 months of birth or adoption.
 - a. Employees must notify their manager and the Human Resources Department at the earliest possible date, ideally at least 6 weeks prior to the start of leave.
- 3) **Ramp Back Program:** With this program, staff can ease back to work with up to 2 weeks of flexible time.
 - a. Employees coordinate directly with their manager & the Human Resources Department to discuss an appropriate ramp back schedule for the first two weeks back at work.

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

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

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



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

Additional Forms of Leave: We offer an extensive profile of leave to our employees to accommodate all potential scenarios in which they may need support. The following types of leave are available: (1) Worker's Compensation Leave; (2) Service Member Family and Medical Leave; (3) Pregnancy Disability Leave; (4) Personal Leave; (5) Bereavement Leave; (6) Military Leave; (7) Spouse Military Leave; (8) California Emergency Duty Leave; (9) California Civil Air Patrol Employment Protection Act; (10) California Crime Victim Leave; (11) California Domestic Violence and Sexual Assault Victims and Stalking Leave; (12) California Organ and Bone Marrow Donor Leave; (13) Subpoenas/Witness Duty Leave; (14) Time Off to Vote; (15) Time Off for Religious Reasons; (16) School Appearance Leave; (17) Family School Partnership Leave; and (18) Alcohol and Drug Rehabilitation Leave.

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

- 1) Employees on leaves of absence in excess of thirty (30) days must provide written certification to Human Resources from their physician every thirty (30) days to support their continued disability.
- 2) Request for an extension of a leave of absence must be made in writing prior to the expiration date of original leave, and when appropriate, must be accompanied by a provider's written statement that certifies the extension need.
- 3) Failure to return to work on the first workday without having contacted the company about the need for additional time, following the expiration of an approved leave of absence may be considered a voluntary termination.
- 4) OTC works with the employee to provide reasonable accommodation, as applicable. A doctor's note must be provided to the immediate manager to begin the interactive process and to consider what type of accommodation would be suitable.
- 5) Eligibility for continued coverage under OTC's group insurance plans is determined based on the type of leave. Details are explained to eligible employees at the time of leave.
- 6) Employees must make arrangements with OTC to pre-pay their share of the first month's group insurance (or if enrolled in supplemental plans) premiums before going on any leave of absence which are longer than a pay period. Payment for additional months must be received by the first of the month. Failure to pay the share of the premium may result in loss of coverage. Certain types of leaves preclude cancellation of coverage, even if premiums are not paid by the employee. Employees who fail to return to work at the end of an approved leave of absence may be required to reimburse OTC for group insurance premiums paid by OTC while the employee was on leave.
- 7) Employees on leave of absence may be subject to lay off on the same basis as employees who are actively at work.
- 8) OTC may hold in abeyance or proceed with any counseling, performance review or disciplinary action, including discharge, that was contemplated prior to any employee's request for or receipt of a leave of absence or that has come to OTC's attention during the leave. If any action is held in abeyance during the leave of absence, OTC reserves the right to proceed with the action upon the employee's return.
- 9) Requesting or receiving a leave of absence in no way relieves employees of their obligation while on the job to perform their job responsibilities capably and up to OTC's expectations and to observe all OTC rules, policies and procedures.
- 10) Employees on leave of absence must communicate with OTC on a regular basis, at least once a month, regarding their status and anticipated return to work date.
- 11) Employees who return to work from a medical, pregnancy-related disability, family medical, or workers' compensation leave of absence may be required to submit to a physical examination, at OTC's expense, to determine fitness for duty.
- 12) Employees on leave of absence who seek or accept other employment for work that is prohibited by leave restrictions or employment without following OTC policy, may be subject to disciplinary action, up to and including possible



termination. Such employment may not conflict with the employee's assigned schedule or responsibilities with OTC.

- 13) Medical leave is considered time spent off work to satisfy the federal Family and Medical Leave Act and any State leave requirements (if eligible), where the law allows. If State and Federal laws conflict, the most generous law applies.
- 14) Employees returning from medical leave that concurrently satisfies requirements of FMLA, CFRA, PDL, or Organ or Bone Marrow Donor are entitled to reinstatement to same or comparable position. If such position is still available, if not, the employee is entitled to a position for which they are qualified.
- 15) An employee who is granted a medical leave of absence must use any accrued vacation, sick benefits and/or PTO during the period of his or her disability, unless the type of leave makes such use optional.
- 16) Vacation time and sick leave do not accrue during leaves of absence.
- 17) Employees who falsify the reason for their leave of absence may be subject to disciplinary action, up to and including possible termination.
- 18) All foreseeable leaves of absence to be approved in advance, in writing, by an employee's supervisor.

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

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

Promoting From Within - Management Opportunities and Wage Increases: OTC is deeply committed to our employees and believes all staff should be provided opportunities for advancement within our company. These opportunities not only bolster our employees' overall career trajectories but also allow them heightened pay well beyond the standard of living wage. We have promoted various employees to higher-ranking positions since commencing operations at our locations in Vista, both of our Palm Springs locations, Winterhaven, Van Nuys, and Costa Mesa. Not only do we seek to promote internally, but we also have specific diversity goals in hiring and promotion for all management-level positions. All staff members are considered for raises and promotions during yearly reviews based on performance, competency, training, continued education, and employment tenure. Raises and promotions awarded to staff with anniversary dates that fall before yearly reviews receive back pay. Staff must have worked in their current position/pay rate for at least six months during performance reviews to qualify for a performance-based promotion or raise. OTC has had a voluntary attrition of less than ten percent (10%) since opening, which we believe results from our commitment to competitive wages, ongoing training and development, and career advancement opportunities for all employees.

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

iSolved - Comprehensive Human Resources Portal: All of our employees have access to iSolved, which is a comprehensive human resources (HR) platform for all employees that provides front-end and back-end HR functions. iSolved allows all employees to create an account, provide all required personal information, tax documentation and other required inputs to complete the onboarding process. Once employees are onboarded through iSolved, they are provided access to all sorts of internal information such as the management of their benefits, access to the Employee Handbook, tax guidance, pay stubs and history, time off requests and much more. iSolved also integrates with our payroll processing platform, Coastal Payroll, to administer paychecks for all employees and to manage financial data relating to employees, including clock in and out protocols, pay remittance and other internal information that helps us stay vigilant with respect to HR. Employees can also

SECTION B: LABOR AND EMPLOYMENT PLAN



send secured messages to OTC's team of HR representatives to ask questions about their benefits, get clarification on onboarding items and form a direct line of communication for all of their HR needs. This platform has been critical for optimizing our HR protocols to provide access to information and empower employees to take advantage of all of our benefits offerings.

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

Continuation of Benefits: Under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA), employees and qualified beneficiaries are eligible to continue medical insurance benefits at slightly higher premium rates than OTC pays. COBRA costs and eligibility are administered in accordance with all statutory requirements. The length of COBRA continuation coverage is determined by the qualified event from the list stated below. An employee who exhausts their 18 months of COBRA coverage and was entitled to less than 36 months of COBRA coverage, may have the option to choose up to 18 months of additional coverage under Cal-COBRA depending on the qualifying event. Group medical and dental coverage can continue when any one of the following "qualified events" occur: (1) Death of covered employee (spouse and dependent child of covered employee covered for up to 36 months); (2) Termination (other than by reason of gross misconduct) or reduction of hours of the covered employee's employment (coverage for up to 18 months for covered employee, spouse and dependent child); (3) Divorce or legal separation of the covered employee from the employee's spouse (former spouse and dependent child covered for up to 36 months); (4) The covered employee becomes entitled to benefits under Medicare (coverage for up to 36 months for the covered spouse and dependent child); (5) The dependent child ceases to be a dependent under the requirements of the plan (coverage for up to 36 months for the formerly dependent child); and (6) An employer's bankruptcy, but only as it relates to health care coverage for retirees and their dependents (coverage for up to 36 months). At the time of termination, or other qualified event, continuation information, time limits and procedures are given to the employee or sent to the employee that includes the benefit premium, terms and options available to the employee. Same-sex partners and spouses are qualified beneficiaries. Under Cal-COBRA, if a registered domestic partner was a health plan participant on the day before a qualifying event, they would be entitled to continuation benefits. If conversion is elected, it is the employee's responsibility to maintain the benefit premiums. The employee should notify OTC if they have not received the COBRA paperwork within 30 days. After the continuation of benefits under COBRA concludes, the employee may convert their insurance to an individual plan by contacting the insurance carrier directly.

Continuing Education: Our Labor and Employment Plan supports the pursuit of continuing education, growth opportunities in the workplace, and accomplishment of outside career goals for employees. We budget up to \$20K annually to offset the cost of education or outside cannabis certifications our staff may pursue to enhance knowledge of the plant, the supply chain, and the industry overall. We also provide employees with an education stipend for every semester they are pursuing an associate's, bachelor's or master's degree, which can be used towards enrollment, books, or other education-based expenses. Educational pursuits that qualify for OTC's education stipend and flexible scheduling include: (1) Local Community Colleges; (2) Local four-year universities such as San Diego State University; (3) Oaksterdam University cannabis education programs; (4) Americans for Safe Access (ASA) cannabis educational programs; and (5) Other programs as approved by the CEO, COO and CCO. It is our hope that by investing in our employees' education and training we are fostering a positive environment of growth and opportunity for all those who work at OTC.



Local Hiring: OTC is committed to local hiring in Santee and will strive to hire Santee residents whenever possible to consolidate job opportunities in the city. Local hiring efforts are executed to improve economic outcomes for members of disenfranchised and targeted communities. Our primary goals concerning local outreach are to work with local employment agencies, host outreach, and hiring events, sponsor training for local equity individuals, focus on local hiring and internally promoting, and maintain beneficial relations with employees. More detail regarding local hiring efforts and benefits is provided in **SECTION F: COMMUNITY BENEFITS AND INVESTMENTS PLAN**.

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

OTC Gear: When employees are onboarded, we offer them a package of OTC-branded clothing, hats, and accessories that they wear during their time at OTC at no charge. The package varies depending on the season, but it generally includes five t-shirts, a hooded sweatshirt, two hats and various accessories such as key chains and stickers. We want employees to feel like part of the family, and the provision of a "swag bag" helps us welcome new employees to the team and show our appreciation for their help in making OTC a premiere cannabis retail establishment.

Wellness Reimbursement: OTC offers up to \$500 per calendar year for employee-initiated health and wellness activities and expenses. Employees receive reimbursements for a variety of wellness-related expenses including but not limited to: gym/pool memberships, fitness classes, lessons, retreats, sports league dues, physical equipment and various other activities to help employees achieve their health and wellness goals.

Fully Stocked Break Room: To promote the health and wellness of our staff, we stock our Break Room with food, drinks and snacks that have nutritional value and help our employees stay nourished throughout their day at work. Rather than a vending machine that carries food with processed ingredients and soda with high fructose corn syrup, we take the time to evaluate healthy food, drink, and snack options and solicit employee participation in our selection process. Our fully stocked Break Room is always equipped with a complimentary and diverse selection of items, ensuring a constant variety is available at no cost to employees. We also include options for those who have dietary restrictions, such as vegan, gluten-free, Keto, Kosher and various other types of diets.

B.3.A. ADDITIONAL BENEFITS: NON-DISCRIMINATION

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

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

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

Gender Identity/Expression: OTC acknowledges the considerable diversity in gender expression and identity within our communities. We recognize that some employees and customers' gender identities do not fit within the gender binary and/or



does not match their sex assigned at birth or perceived gender. We aim to support employees' and customers' right to express gender in the manner they see fit.

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

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

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

OTC will promptly and thoroughly investigate the complaint to determine whether misconduct has occurred. While complete confidentiality cannot be guaranteed, the Company will perform the investigation as discretely as possible. When necessary, employees are required to participate fully and honestly in any workplace investigation. Likewise, employees who are involved in any aspect of the investigation must comply with the directions given by the person conducting the investigation.

The complaint will be investigated by an impartial and qualified individual who will ensure the investigation is documented and tracked to ensure reasonable progress. Where misconduct is found, OTC will take appropriate corrective action in a timely manner. The investigation will not result in any retaliation against the complainant or any participant in the investigation.

No notation of the complaint will be included in the complaining employee's personnel file and all records and documentation will be kept separately with limited access and to help preserve confidentiality. A Company representative will advise all parties, who have a business need to know, of the results of the investigation. To protect victims and alleged accused alike, all management personnel are charged with the responsibility of using the utmost discretion in investigating complaints. Any employee refusing to participate in an investigation may be disciplined up to and including termination.

Employees who believe that they have been harassed may also file a complaint with the local office of the California Department of Fair Employment & Housing (DFEH) or the U.S. Equal Employment Opportunity Commission (EEOC).

B.3.B. ADDITIONAL BENEFITS: DIVERSITY, EQUITY AND INCLUSION

The core values of diversity, equity and inclusion are pillars of our organization's foundation. Our business in Santee is committed to ensuring diverse, inclusive, and equitable practices in ownership, community investment, management, employment, employee development and contracting. We are committed to hiring a team of employees that reflects the communities we serve. Greater than 60% of employees across all of our operations are female, and many of our employees are people of color. We have established a culture where these differences are celebrated rather than used as a basis for delineation. OTC's business in West Hollywood, CA has integrated seamlessly into one of the most vibrant LGBTQIA+ communities in the entire nation, participating in Pride events and other occasions to celebrate this community's history. Our Labor and Employment plan in Santee is structured to exemplify our commitment to equitable hiring, to provide opportunities for women, a diverse composition of local residents, veterans, socioeconomically disadvantaged individuals, members of the LGBTQ+ community and other groups, all of which reinforce our efforts to become an upstanding, diverse and meaningfully contributing local enterprise in Santee.

Strategies for Obtaining a Diverse Staff: Below is an outline of our strategies to recruit and retain a diverse team of employees that represent individuals from socially and economically disadvantaged backgrounds:

Strategy 1 — Recruit diverse employees at all levels: The following helps us ensure diversity of new hires at OTC compared favorably to relevant national labor market: (1) Use diverse members to evaluate candidates for vacancies, when possible; (2) Strengthen and develop relationships with targeted groups at historically minority colleges and universities



and professional organizations and identify other institutions with large diverse populations; (3) Continue to serve as liaison with employees and encourage them to apply for development programs; (4) Continue to review and modify recruitment strategies by identifying and attending minority/women job fairs.

Strategy 2 — Develop and retain diverse employees by promoting an environment that values differences: The following helps us ensure our retention rate by demographic group compares favorably with external retention rates and that employee satisfaction survey results compare favorably to external survey results: (1) Communicate strategies to clarify links between diversity management strategies and mission accomplishment; (2) Support skills and training needs assessments and the development and implementation of individual development plans consistent with mission priorities and workforce goals; (3) Conduct an organizational assessment to determine organizational strengths and areas for improvements related to diversity management principles; (4) Develop action plans to address any improvement areas identified in the employee satisfaction survey results or based upon office-specific organizational assessment; (5) Enhance mechanisms where managers and employees can express ideas and concerns on diversity and work environment issues. Use facilitated support as needed; (6) Promote agency EEO and diversity management efforts through effective communications; (7) Promote diversity on major task forces and committees; (8) Where appropriate, incorporate best EEO & diversity management practices; and (9) Support continuous development of managerial leadership, technical, and administrative talent to ensure organizational continuity.

Strategy 3 — Increase the diversity of employees in senior and managerial positions: The following helps us ensure representation of minorities and women in senior level and managerial positions is enhanced consistent with applicable laws: (1) Support participation of qualified employees in internal and external executive development programs; (2) Provide staff with meaningful career planning, mentoring, and developmental opportunities for exposure to senior management; (3) Determine where there may be concerns or problems with fairness in recruitment, developmental opportunities, appraisals, promotions, and awards; (4) Identify and address perceived barriers to advancement opportunities; (5) Ensure employees are given challenging assignments to develop executive core qualifications; (6) Attract a pool of more diverse applicants for senior positions; (7) Select the most qualified candidate regardless of race, nationality, gender, age, disability, religion, sexual orientation, or other non-merit factor.

Implementing, Monitoring and Evaluation: Once we have successfully recruited and/or promoted a diverse workforce, we continue to implement, monitor and evaluate our diversity, equity and inclusion strategies based on the following guiding principles: (1) Root cause analysis and understanding barriers to change; (2) Embracing an intersectional culture of belonging; (3) Establishing accountability throughout our entire organization; and (4) Promoting empathy, humility, transparency and curiosity. We have sought guidance from human resource experts to develop a comprehensive framework for diversity and inclusion that provides us with the necessary information to understand our workforce's composition, enhance our employees' understanding of different perspectives and continue to diversify our staff and respective opportunities. The following process summarizes our ongoing evaluation practices and any new efforts to develop diversity and inclusion programs:

1. Data Collection: In order to develop a program or make any sort of effective change, we must know the composition of our workforce compared to other operators in the industry. This demographic data is crucial for us to observe trends in our workforce and set diversity and inclusion goals accordingly. We compile the following demographic data for our workforce at the onset of operations and at periodic intervals on an ongoing basis: (1) age; (2) generation; (3) ethnicity and national origin; (4) race; (5) language; (6) disability status; (7) gender, including gender identity and expression; (8) sexual orientation; (9) veteran status; (10) religion and spirituality; (11) life experiences; and (12) personality type. We aggregate this data through optional surveys that contain detailed questions about employees' identification, life, work history, personal experiences. In some cases, we may work with a third party to survey employees and collect this data to preserve objectivity. Participation in surveys by staff is encouraged, but always optional.

2. Identify Shortcomings and Concerns: After demographic data has been collected, we are able to conduct an overall analysis and identify any shortcomings, gaps, negative trends, or any other aspects of our workforce relating to diversity and inclusion that require strategy and remediation. This analysis includes cross-referencing the demographic data with compensation and opportunities provided to certain positions to make correlations between our workforce's overall diversity



and performance. At this point it is crucial to determine employees' attitudes towards our overall company culture in order to establish the direction of our program development.

3. Policy Analysis: We also place our demographic data side by side with our current diversity and inclusion policies to conduct a gap analysis and see where there are any potential opportunities for new program development or a change in overall company culture. This is a key stage in program development when we identify any barriers that our employees may be facing based on their demographic characterizations. Some examples of barriers identified in this analysis include political preferences, unconscious bias, employee referrals and culture.

4. Identify New Objectives: Once we have completed our analysis and identified any gaps, shortcomings or other negative aspects of our existing diversity and inclusion programs, we can move on and make actionable change. It is imperative that we set definitive goals with respective timelines for achieving these goals. An example may be to hire more veterans to have 10% of our workforce identified as veterans by Q4 of 2024, or increase the time spent on sensitivity training from 1-hour to 2-hours monthly. These goals may involve a third party for implementation, and we work with SHRM to source these professionals. We also troubleshoot to identify potential pitfalls in implementation of the new initiatives and find ways to mitigate these issues.

5. Communicate Objectives and Garner Support: Once we have identified our new objectives, we then communicate them to our staff and develop a plan for implementation. This includes a team meeting as well as individual meetings with managers or team leads that may play a heightened role in one or more of the objectives. Clearly outlining roles and responsibilities is crucial for implementation of any new programs. We walk through all new goals and inform our staff of the timeline on which we expect to achieve these goals.

6. Execution: Once all staff are clear on their responsibilities in a new diversity and inclusion initiative, we roll out the program and execute our action plan.

7. Monitoring and Evaluation: Each new diversity and inclusion initiative has its own framework of monitoring and evaluation so we can measure performance and assess whether we are on pace to accomplish the goals within their respective timeframes. We clearly communicate the results to all staff members and discuss any changes that need to be made in implementation. We also ensure that everyone maintains the same level of commitment to the new initiative over time.

8. Audit: We conduct ongoing reviews of all new diversity and inclusion initiatives and correlate their execution with various aspects of OTC's overall performance. If we recognize a negative impact of the new program or initiative on our performance, we hold additional meetings and collaborate on any adjustments that need to be made. We then distribute additional surveys to see our staff's perception of our commitment to diversity and inclusion and determine any new programs' efficacy. We also use these audit results as a basis for creating new programs or changing the thematic principles of existing initiatives.

Social Equity, Diversity and Inclusion: OTC's Labor and Employment Plan maintains an emphasis on social equity as well as diversity and inclusion. We view social equity as a principle that embodies the actions we take to address discrimination, injustice, and inequality. We recognize our platform as a licensed operator in the cannabis industry as an opportunity to improve socioeconomic outcomes for those negatively impacted by decades of cannabis prohibition and offset the harm sustained by the War on Drugs in the communities in which we operate. OTC is committed to using its position of influence to provide opportunities for vulnerable populations and enhance the quality of life for Santee residents that fall into this category. Norman and Darline Yousif have provided over \$1 million in seed funding for social equity businesses in Los Angeles throughout the last five (5) years along with operational consulting and assistance as needed, which still helps these businesses thrive today. We believe it is essential to understand the history of cannabis so that we can meaningfully empower and enrich communities that have been disproportionately impacted by cannabis prohibition, the war on drugs, and systemic racism. We also want to challenge the traditional social and political hierarchies in the professional sector and build the local cannabis industry into a landscape of opportunity for all individuals. To that end, all hiring activities will be conducted with an eye toward improving socioeconomic outcomes for members of disenfranchised and targeted communities within Santee and the Greater San Diego County. Our shared commitment to social justice, equality, diversity and inclusion have been thoughtfully integrated into our business since its inception, creating a culture in which equity, diversity, and empowerment are fundamental principles that guide our actions as individuals and as a company.



SECTION C: SECURITY PLAN

C.1. QUALIFIED PROFESSIONAL SECURITY CONSULTANT

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



October 17th, 2024

To the City of Santee:

Security Consultant Experience

To Whom It May Concern:

As the designated Security Consultant/Representative/liaison to the City of Santee on behalf of Off The Charts (OTC), I've been tasked in the preparation of the attached Security Plan for your review and consideration. Per your request, this Security Plan has been condensed to meet Phase 1 and 2 requirements for consideration. A detailed operational plan will be submitted as required for processing and evaluation upon award of licensure.

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

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

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

Sincerely,

Samuel Yador

Samuel Yador
ArmorTech Security

C.1.A. SECURITY EXPERIENCE

Over the past six (6) years in operations, across 20+ operating OTC facilities, we have gained invaluable experience in security operations for commercial cannabis retail. Our Security Plans for each of these facilities have proven to be effective, as evidenced zero occurrences of any serious adverse events or critical incidents such as criminal activity, burglary fire, medical, and hazardous emergency across all of our facilities. Part of our ability to effectively deter crime and prevent emergencies is the input from our team of consultants, contractors and vendors that support us through the development, implementation and auditing of our Security Plans for each business in the OTC family. **Armortech Security** is our professional security consultant that has been with us since the Grand Opening of our flagship location in Vista and has helped us form Security Plans for each of our facilities since. During the application phase, Armortech Security provides

SECTION C: SECURITY PLAN



comprehensive security consulting, analyzes each facility to ensure we understand potential security chokepoints and other critical details relevant to local security compliance. **Klausbruckner & Associates** is our fire prevention and suppression consultant, works with us to outfit our facility with the necessary fire prevention and suppression equipment in the correct locations. They also help refine our emergency response protocols to ensure public safety for clients and our staff. The **Bay Alarm Company** provides intrusion detection alarms, fire alarms, access controls and various other technologically-based forms of security and remote monitoring services to prevent theft, crime and other serious adverse events during operational and non-operational hours. During the facility outfitting phase, Armortech collaborates with ownership and Bay Alarm to implement physical security design and additional facets of our program in adherence with our security plan presented in this application; this includes camera locations, alarm system component locations, perimeter security measures and other aspects of operational security. Once the business is operational, Armortech Security provides onsite Security Personnel 24 hours a day, 7 days a week or at intervals permitted by the City, along with ongoing training for Armortech personnel and site-specific aspects of the business's Security Plan staff training. The Bay Alarm Company coordinates with both Armortech Security and Klausbruckner and Associates to design and implement an alarm system that has the necessary components and notification systems to respond to emergencies. In addition to training employees on our SOPs, we conduct regular meetings with our third-party security vendors to ensure our staff knows how each of these security systems is related to our facility's overall operational security. These vendors serve OTC in all its cannabis business safety and security operations to ensure the highest levels of safety and security for our staff, clients, and the community.

Armortech Security: Yador Enterprises DBA Armortech Security (BSIS PPO 119899; BSIS PI 28168) is a California-based, licensed, bonded and insured risk mitigation firm serving various communities throughout California. Services include security guard and patrol contracting, security guard training, private investigations, live-scan, and security consultation services for state, federal, and cannabis-based entities. Armortech is a registered Small Business under the Small Business Association (SBA) with additional certifications as a Minority and Service-Disabled Veteran-Owned Small Business (SDVOSB). Established in 2011, sub-companies include Spartan Transport Systems, providing covert transport and driver safety training; Focal Point Academy (BSIS License TFF 1512 & TFB 1273), providing baton and firearm training services; and ATS Investigations (BSIS PI 28168), a private investigations firm specializing in background and workplace investigations. Samuel Yador, CEO of Armortech Security, is a US Military veteran with an extensive background in military logistics, law enforcement, special operations support and multi-branch operations. Educational Background includes a B.S. degree in International Security and Conflict Resolution with a specialty in Global Systems from San Diego State University; International Relations from the University of St. Petersburg, Russia; Certification as a Conflict Mediator from the National Conflict Resolution Center in collaboration with the University of Bologna in Rimini, Italy and International Politics from the University of Tartu, Estonia. With current services as a Private Investigator (PI 28168), National Conflict Mediator, BSIS Firearm (TIF 2241), Baton (TIB 1847), NRA Firearm (NRA #187173998), UCSD Low Voltage Data Technician, Department of Justice Firearm Safety Instructor, Risk Management Instructor, and San Diego Sheriff Concealed Carry Weapon Instructor. With Sam's extensive education and background, we are confident his input will be invaluable to our security operations. Beyond general security experience, Armortech Security possesses specialized expertise in crafting and executing security strategies for dispensaries and commercial cannabis operations, including the development and integration of OTC's Security Plan. Some of Armortech's past and current performance experiences include, but are not limited to the following: (1) Servicing 14 out of 23 licensed businesses for Off The Charts; (2) Customs Drug Interdiction and Consulting- Accra, Ghana- West Africa; (3) High-Value Transport and Security Detail- Jade Buddha for World Peace- San Diego, CA; (4) On-Site Security Detail – David and Sons Jewelers- La Jolla, CA; (5) Cannabis Security Planning and Security Detail – GRDTC – Long Beach, CA; (6) Cannabis Dispensary Security – Cali Green World – Moreno Valley, CA; (7) Cannabis Dispensary and Lounge Security Plan – PleasureMed, LLC – West Hollywood, CA; and (8) On-Site Protection Detail – Westime La Jolla – La Jolla, CA. Samuel Yador is our Security Consultant and designated Security

SECTION C: SECURITY PLAN



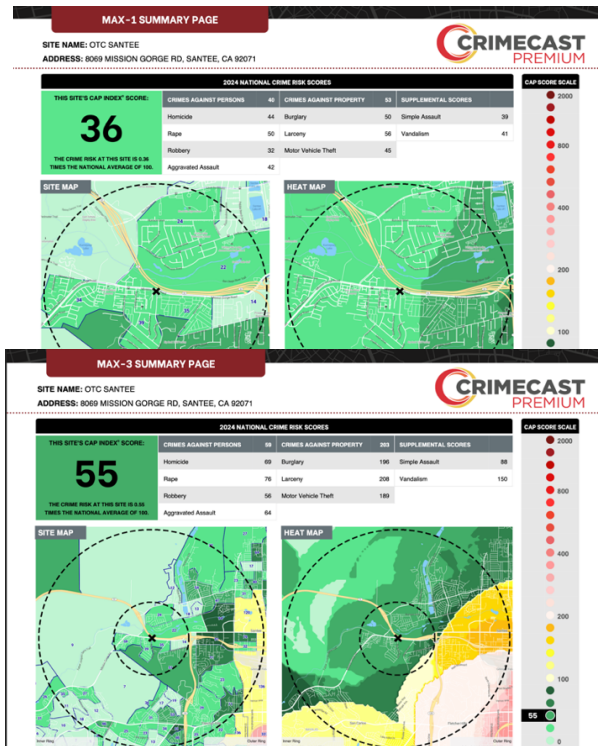


Representative/Liaison to the City and the SDCSD and maintains all of the security-related responsibilities promulgated by Santee Municipal Code and MAUCRSA. Prior to Security Personnel's first day assigned to work at OTC's Santee premises, Sam will send the City of Santee and the San Diego County Sheriff's Department essential and detailed information on Security Personnel, with copies of state-issued licenses and permits, government-issued identification forms, and photographs of uniforms and badges. Armortech ensures all guards carry a current Bureau of Security and Investigative Services (BSIS) card and that all armed guards possess a current Firearms Permit.

Ownership and Operational Team Security Experience: Many of our team members have gained significant experience with security in the cannabis industry from current and previous roles and ventures. Earlier this year OTC experienced a fire on the premises during non-operational hours in the middle of the night at the flagship Vista location. The Bay Alarm Company's fire alarm system immediately sent a notification to the Vista Fire Department and emergency services were on the scene within minutes to put out the fire, preventing any structural damage to the facility. This adverse event was a testament to the effectiveness of our remote monitoring and emergency response protocols, and we will apply this same framework to prevent and respond to adverse events and potential security threats in Santee. Our Chief Compliance Officer Sean Maddocks previously operated Green Consulting Partners, a firm that he co-founded and operated for the last 7 years before joining the OTC team. In his role as Managing Partner, Sean helped dozens of clients develop security plans, conduct security inspections with numerous jurisdictions throughout California and 10 other states and implement auditing protocols for his clients' security programs to ensure that they were effective as the industry evolved. Sean has also helped clients ensure compliance with local and state regulations after a serious adverse event, with some of his clients experiencing armed robbery in both rural and urban areas of California soon after the enactment of the Medicinal and Adult Use Cannabis Regulation and Safety Act. Sean was able to help preserve evidence through the use of his clients' surveillance systems, notify the DCC through form DCC-LIC-027 and other proper channels to ensure real-time communication, participate in investigations and help his clients get back on their feet with heightened security measures after the robbery. This gave Sean intimate knowledge of how to prevent theft, diversion and crime and handle serious adverse events and potential weaknesses to address when developing security plans. Overall, we are well-equipped to handle emergency situations based on the combined experience of our ownership and operational team, the expertise of our security contractors and a preventative and detail-oriented approach to operational security that accounts for all potential security and safety pitfalls.

C.I.B. CAP INDEX CRIMECAST RISK ANALYSIS

We have partnered with security risk analysis experts CAP Index Crimecast to ensure we have a baseline understanding of the area surrounding our facility and to maximize the effectiveness of our perimeter security SOPs. The CAP Index Scoring System uses sophisticated forecasting techniques that combine demographic and business statistics with crime and loss data to calculate crime risk. CAP Scores range from 0-2000, with 0 representing the lowest risk and 2000 the highest; 100 is the average. This includes Crimes Against Persons, such as homicide, robbery, aggravated assault, and rape, along with Crimes Against Property, such as burglary, larceny, motor vehicle, and vandalism. The adjacent diagrams depict the likelihood of certain crimes within a one-mile and three-mile radius of our location of 8069 Mission Gorge Rd / 0 Big Rock Rd Santee, CA 920171. The **Site Maps** show Block Group Scores for each neighborhood surrounding a location and depict the potential origin of criminal activity occurring at the location. These are broken down between various US Census Bureau block groups, with each one typically containing thousands of residents with similar socioeconomic characteristics and associated numeric risk scores with corresponding risk shading. The **Heat Maps** provide an alternative view of the risk of crime within the map window. CrimeCast Heat Maps are developed by calculating the CAP Index Scores for every point on the map and then shading its corresponding





risk level. Crimecast Reports also include a Crime Score Summary for a total of 108 risk scores – 12 for each of 3 geographic levels and 3 time periods. The National Scores provide a given site's risk in comparison to all 50 states and the District of Columbia broken down by crime category, while the State Scores compare the site to the state averages and the County Scores to the county averages. Past, Current, and Projected risk scores are provided to allow for trending. This data is integral to our staff and our security team's preparedness to prevent crime, theft, and other serious adverse events that compromise public safety. *The proposed location's scores of 36 and 55 represent a significantly lower-than-average propensity for crime to occur within a one-mile and three-mile radius of the facility respectively.* These are the lowest Crimecast scores out of any of our existing or proposed commercial cannabis locations in California, and we are confident in our Security Plan's effectiveness and alignment with this proposed location. Even despite the lower-than-average crime risk, it is imperative that we maintain awareness of the neighborhood's composition and how we fit into the overall security paradigm of the neighborhood and community. Our Security Plan incorporates various security systems and protocols that have been specifically designed in alignment with Crimecast's neighborhood analysis and perceived areas of threat.

C.2. PREMISES SECURITY DIAGRAM



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

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

Check-In/Lobby (300 ft²): Client check-in; Identification (ID)/recommendation verification; and Visitor check-in; if the Retail Area is at maximum capacity, customers and patients wait in the Lobby/Waiting Area, which is stocked with educational materials about our company, our store, our values, product line, cannabis consumption and cannabis pharmacology; and main alarm panel storage.

Retail Sales Floor (1,688 ft²): Temporary cannabis storage; Customer education; Viewing of sample products accompanied by a Cannabis Specialist, Team Lead, or Manager; Cannabis sales using a Meadow POS-linked mobile device during high traffic times; Double verification of ID/recommendation; Customer sales; Transaction processing; Exit guidance/observation; Cannabis display; Surveillance that identifies all persons and activities in the Retail Area; Surveillance of all point-of-sale areas; Video surveillance with facial recognition of any customers/patients; and Odor control. (LAA)

Limited Access Secured Product Storage (182 ft²): Inventory control; Monitoring and reporting; Metrc operation; Quality assurance; Bulk cannabis storage; Checking cannabis goods in and out of storage; Transfers to Retail Area; Cash counting; Cash storage; Cash pick-ups/drop-offs; Cannabis waste storage; Waste rendering; Odor control; Video surveillance that clearly records all activity and can identify any person and activities throughout Retail Fulfilment Storage; diversion prevention; and Diversion investigation. (LAA)

Dispatch/Delivery (100 ft²): Staging deliveries of cannabis goods; Unloading of incoming shipments; verifying Shipping Manifests; and Verifying Certificates of Analysis; Pre-registration of customers; Address verification; Delivery order preparations; Delivery loading; Creating routes; Driver dispatch and communication; and Customer service. (LAA)



Administrative Office (154 ft²): Records storage; Video surveillance analysis; Digital Video Recorder (DVR) Storage; Physical and electronic records storage; Storage of City contacts; Educational materials development and storage; Employee interview; Hiring and onboarding; Employee badge storage; Marketing/advertising development; and Strategy meetings on community benefits. (LAA)

Break Room (184 ft²): Employee meals and rest periods for retail employees; Team meetings; Employee training; Employee handbook storage; and SDS storage.

Unisex Restroom (84ft²): Remains locked and under control of management at all times.

Limited Access Vault Room (283 ft²): Storage of currency; Cash counting; Handling; and Deposit preparation. (LAA)

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

C.3. OPERATIONAL SECURITY

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

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

- 1) The following individuals are permitted to access to the premises: (a) employees, (b) customers, (c) authorized vendors (d) City personnel, (e) State officials, (f) emergency responders and (g) SDCSD and other law enforcement;
- 2) Any door that is intended to serve as a barrier between the public and private areas of the store must remain closed and locked at all times, except for the moment when an authorized individual is actually walking through it;
- 3) Each employee wears a Company-issued identification badge at all times while at a store;
- 4) All non-customer visitors must wear a Company-issued visitor badge and indicate the times of entrance and exit to any limited access areas of the Premises;
- 5) At least two employees are to be on-site at all times during regular business hours to ensure that the store has at least two persons present from opening to closing.
- 6) The facility is designed with separate Limited Access Areas (LAAs) where cannabis, cash, currency, and sensitive documentation is held or stored, and we implement a tiered hierarchy of access to these areas depending on employees' job functions;
- 7) All cannabis and cannabis products are maintained within OTC's chain of custody using an inventory management, control and reporting system that documents the present amounts and descriptions of all products held onsite;
- 8) The facility is designed with the following physical security systems, which are described further below in **C.5. Perimeter Security**: (a) Intrusion detection and alarm; (2) Exterior Lighting; (3) Video Surveillance; and (4) Physical barriers;
- 9) OnGuard Security Personnel enforce perimeter and interior security;
- 10) Employees only have access to the portions of the store that relate to their function at work; individual employees have authorized zones within their work environment and not all have the same access;



- 11) All employees receive training in accordance with the Personnel Policies and Procedures of OTC, with such training to be conducted by experts in the respective areas;
- 12) All staff and management receive comprehensive training in safety, security and general operations, which is outlined below under ***C.6. Employee Training & General Security Policies;***
- 13) Bay Alarm has developed and is installing a comprehensive framework for surveillance, intrusion detection and access control;
- 14) Bay Alarm Company carry out remote monitoring and alarm response in the event of a security breach;
- 15) OTC has a Security Liaison/Representative that maintains specific responsibilities outlined in SMC § 7.04.320(B) and is available to any City Official at any time upon request;

Most security failures occur with respect to operational security, and thus we put in place specific procedures and strict accountability measures to diminish the likelihood of a failure in this area. OTC's management understands the importance of creating a security culture to assist in the overall success of the security program and emphasizes the importance of security to all employees. The Security Plan is implemented in ongoing collaboration with the San Diego County Sheriff (SDCSD) Santee Division to ensure the effectiveness of the plan and that response protocols for any critical incidents are sufficient. Managers follow all security policies and procedures in order to set an example of and promote compliant culture. A manager is on duty during all business hours, and the designated Security Consultant is available at any time to aid onsite managers in upholding the Security Plan for the business. Every OTC employee is considered part of the security program, and each designated role has specific responsibilities with respect to security. Through a security awareness program as well as fluid communication and demonstrated experience by our leadership, employees are taught to understand the relationship between security and the organization's success, learn their obligations to operational security, understand how various security measures support security program objectives, and become familiar with available resources to help with security concerns.

Incorporation of Industry Best Practices: Our approach to operational security also includes an analysis of Threats, Risks and Appropriate Responses. The following scenarios have been considered during the preparation of the Security Plan and how we can mitigate these occurrences through robust operational security: (1) Armed assault during business hours; (2) Insider theft during business hours; (3) After business hours insider threat; (4) After business hours threat to Security Personnel or other personnel; and (5) After hours burglary attempt. We also incorporate guidelines, cross-dimensional compliance thresholds and best management practices including but not limited to:

- 1) **Crime Prevention Through Environmental Design (CPTED):** Guidelines for incorporating natural surveillance, territorial reinforcement, space management and access control strategies to reduce the opportunities for crime.
- 2) **DEA Diversion Control Division – Controlled Substances Security Manual:** Guidelines for storing and handling controlled substances and other physical security measures to prevent diversion.
- 3) **FDA Drug Supply Chain Security Act (DSCSA):** Guidelines for tracing and verifying legal supply chains for pharmaceuticals adapted to ensure the security and authenticity of cannabis products.
- 4) **IESNA Guidelines for Security Lighting National:** Guidelines for lighting standards that enhance visibility and deter criminal activity.
- 5) **National Industrial Security Program Operating Manual (NISPOM):** Guidelines for safeguarding classified information incorporated into physical security, information security, visitor controls and security training.
- 6) **OSHA General Duty Clause (29 U.S.C. §654(5)(a)(1)):** Guidelines for ensuring a safe and healthy workplace by identifying and mitigating potential hazards to employees and visitors.
- 7) **Unified Facilities Criteria (UFC 4-021-02) Electronic Security Systems:** Guidelines for incorporating best practices for electronic security systems to ensure comprehensive surveillance and access control.
- 8) **Underwriters Laboratories (UL-608) Standard for Burglary Resistant Vault Doors:** Guidelines for implementing vault doors and safes for secure storage of cannabis products and assets, preventing unauthorized access.

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



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

SMC § 7.04.320(A)(7): Panic buttons are installed with direct notification to the SDCSD dispatch and are configured to immediately alert dispatch for the SDCSD.

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

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

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

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

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

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

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

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

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

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

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

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



security personnel who monitor individuals inside and outside the cannabis business, parking lot, any adjacent property under OTC's control, and ensures that the parking lot is cleared of employees and their vehicles one half hour after closing.

SMC § 7.04.320(C): Included in this application are summaries of our Storage and Transportation Plan that describe in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, any hazardous materials that may be used by OTC, and any currency.

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

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

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

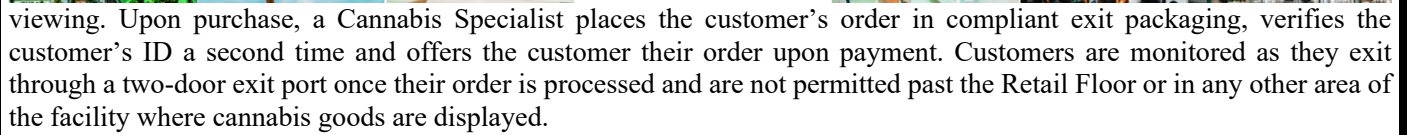
Our access control protocols ensure only qualified persons gain access to where products are held. We prevent individuals from remaining on the premises when not engaging in authorized activity relating to commercial cannabis operations. OTC has an access-controlled door between the facility's entrance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

Access Control – Retail Floor: Anyone requesting access into the Retail Floor must enter the Lobby and check in at the pass-through window connected to Secure Check-In; no one from the general public is allowed into any LAA in the back of the house without pre-qualified access for an accepted reason. A one-inch-thick bullet-resistant Plexiglas sheet with a built-in verbal communication port and countertop deal tray is fixed between the Lobby and check-in/reception booth for ID verification and check-in as either a new or returning customer/patient. A security camera with facial recognition capabilities is installed to capture close-up video recordings of all individuals as they approach the reception window, document each individual that enters the facility and capture footage that may be later required for evidence. We post clear signage to inform customers about the use surveillance cameras and facial recognition technology for security purposes, ensuring transparency and adherence to privacy regulations.

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

Prospective customers are granted access to the Retail Floor when current occupancy allows for entry. Data from retail operations in Palm Springs and Vista shows that first-time purchasers spend approximately 6.58 minutes in the Retail Floor including potential education/consultation time; returning purchasers spend an average of 4.8 minutes inside the facility. We continue to monitor these trends for our customers in Santee to determine if there is any way we can speed up the time required for the average transaction and reduce the likelihood of theft and diversion while customers are present.

Cannabis goods for inspection and sale are only displayed in our Retail Floor. Cannabis goods are only removed from packaging for display purposes; display samples are placed in different containers to allow customers to see the products without handling them directly. Cannabis goods that are removed from their original packaging for display purposes are never sold and are destroyed in accordance with local and state regulations when no longer used for display. A Cannabis Specialist always facilitates direct access to products and samples. Cannabis Specialists supervise all sample product



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

[illegible]



(ID Verification); (2) The name of the company the individual works for; (3) The date and time of entry and exit of the LAA; and (4) The reason for entering the LAA. Upon arrival, OTC employees make a photocopy of the visitor's identification and company badge, if available, and place the copy into the Visitor Logbook along with the reason for their visit. Any non-clients, media, or community members who want to tour the facility must have prior permission from management and are issued a temporary badge if approved. Visitors and contractors must always be supervised by a member of the staff. Authorized visitors and contractors are issued serialized contractor and visitor badges while inside the facility. Badges are protected with clear plastic ID holders and affixed to breakaway-style lanyards. Visitor badges must always be worn for premises access, including LAAs to distinguish employees, who are qualified to gain access to areas where cannabis products are stored, from visitors and other individuals who are unqualified to access these areas. We ensure that visitor badges are returned at the conclusion of each visit to prevent diversion.

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

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

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

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

Secure Storage: All pre-sale cannabis goods are stored in the Storage Room in compliance with Federal Specification AA-V-2737 and DEA 21 CFR 1301.72 and meet DEA Controlled Substances Security Manual-Minimum Standards: Handlers of CI&II Controlled Substances. We cross reference these standards and specifications with the Underwriters Laboratories (UL-608) Standard for Burglary Resistant Vault Doors guidelines to implement the following secure storage measures:

[REDACTED]

[REDACTED]



[REDACTED] We keep the Storage Room securely locked and protected from unauthorized entry. All storage areas meet the federal specifications highlighted above and we execute stringent maintenance and quality control procedures to ensure the security and preservation of cannabis goods' purity.

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

Product Deliveries: OTC follows a strict procedure while receiving an order to ensure the safety and security of our staff, guests, and third-party vendors. All incoming deliveries are coordinated with Distributors on randomized schedules with pre-verification of product, drivers, and shipping manifests prior to arrival. [REDACTED]

[REDACTED] See *A.2.B. Location and Procedures for Receiving Deliveries* in

SECTION A: BUSINESS PLAN for further detail.

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

C.3.C. OPERATIONAL SECURITY: RECORDS STORAGE AND RETENTION

Record storage and retention activities are completed when conducting any activity required to be recorded under state and local law and company policy. Records are legible, identifiable, and accessible. The storage of quality records is enacted in a manner that ensures record integrity. OTC keeps all necessary books and records required to render a full account of all commercial cannabis operations conducted at the facility for the year to date and the seven (7) years prior, as required by the DCC. Required records are kept in Meadow POS, OTC's chosen computerized seed-to-sale system, Metrc databases, OTC's cloud-based record storage service and in hard copy format, including but not limited to each day's beginning inventory, acquisitions, sales, disbursements, disposals, transfers, and ending inventory, which are readily accessible (see full list below). We can call upon records at a moment's notice if we suspect any customer or employee is engaged in activity that could lead to the loss, theft or diversion of cannabis. The DCC, and other local authorities, may inspect the licensed premises and examine any records related to commercial cannabis activity owned or created by OTC, and upon request, will be granted full access to inspect all facility records as necessary to perform official government functions and duties. If requested, OTC provides and delivers all requested records and documents to the DCC, the City of Santee and other authorities for review. We maintain required records in Metrc and Meadow POS, OTC's cloud-based record storage

SECTION C: SECURITY PLAN



service, and in a secure storage location on-site, which are all considered to be maintained on the licensed premises, provided that any records exclusively maintained in electronic format can be produced in a legible, hard copy format upon request. All records that must be maintained in hard copy format on-site are additionally copied and/or stored electronically to ensure that no records are lost in the event of a disaster and are protected from debris, moisture, contamination, hazardous waste, fire, and theft. Recordkeeping activities are overseen and delegated by the General Manager and Inventory Manager, with approval and chief oversight by the Chief Compliance Officer (CCO). The General Manager and Inventory Manager are responsible for internal and external recordkeeping audits and reviews. OTC Notifies the DCC, the City of Santee and the local law enforcement within 24 hours if a loss or an unauthorized alteration of records related to cannabis or cannabis products, customers, or OTC's employees or agents is discovered and submits in writing the Licensee Notification and Request Form, Notifications and Requests Regarding Regulatory Compliance, DCC-LIC-028 (New 2/22) to the DCC the date and time of occurrence of the theft, loss, or criminal activity, the name of the local law enforcement agency that was notified, and a description of the incident including, where applicable, the records that were taken, lost, or altered.

Financial Records: OTC has a 2-fold mechanism as it pertains to financial records. OTC's Meadow POS system integrates seamlessly with State verification inventory software, Metrc, and operates in an offline mode thus establishing record of sales in the event of loss of internet connectivity. Further, Meadow POS and inventory management system features an identification scanner for age and verification to link all purchases to an individual customer. Any denial of sale based on invalid identification creates a data point and record of nonconforming event in OTC's POS system. In addition, the Chief Compliance Officer maintains a log of all Corrective Action Preventive Action (CAPA) plans and investigations with a field that tracks the nonconforming event triggering the CAPA. The Compliance Officer is capable of sorting CAPA database fields by denial of sale query thus rendering a list of all denials of sale, thus creating a twofold inventory control mechanism that maintains records for both compliant purchases and denials of sale. This process does not require the storage of any other personal information other than information typically acquired in a financial transaction.

Inventory Records: We use Meadow POS and Metrc programs to record the following information for all cannabis goods we carry in our inventory at any given time: (1) A description of each item such that the cannabis goods can easily be identified; (2) An accurate measurement of the quantity of the item; (3) The date and time the cannabis goods were received; (4) The sell-by or expiration date provided on the package of cannabis goods, if any; (5) The name and license number of the licensed distributor or business that transported the cannabis good; (6) The price paid for cannabis goods, including taxes, delivery costs, and any other cost; and (7) Any other information required by local or state law (BPC § 26161). Meadow exceeds minimum state requirements by automatically integrating the following in Metrc for each purchase: (a) Name and type of the cannabis goods; (b) Unique identifier of the cannabis goods; (c) Amount of cannabis goods, by weight or count, and total wholesale cost of the cannabis goods, as applicable; (d) Date and time of the activity or transaction; and (e) Name and license number of other licensees involved in the activity or transaction. We also conduct inventory audits at least once every 30 days in compliance with 4 CCR § 15051(a) and keeping records of these audits is critical to maintaining a compliant chain of custody. Meadow's cycle count feature facilitates these records with ease by displaying discrepancies identified during the audit in real-time with sorting features based on the size/significance of the discrepancy. More information on the inventory audit process is provided in **A.2.G. Tracking and Monitoring Products to Prevent Diversion** within **SECTION A: BUSINESS PLAN**.

Personnel Records: OTC maintains a current register of names and contact information for each owner, officer, manager, employee, agent and volunteer that includes, at minimum, the name address and telephone number for each individual. We also maintain copies of the following information for each owner, officer, manager, employee, agent and volunteer, as applicable: (1) An application for employment or to volunteer; (2) Employee badge numbers (3) Driver's license or other State-issued or Federally issued photo identification with current address; (4) Primary telephone number; (5) Documentation of submission of fingerprint impressions for compliance with a criminal history record background check; (6) Job or role description or contract that includes the duties, authority, responsibilities, qualifications, and supervision of the job or role; (7) Documentation of all required training and the signed statement of the person indicating the date, time, and place that individual person received such training and the topics discussed, including the name and title of presenters; (8) Documentation of periodic performance evaluations; and (9) Documentation of any disciplinary action taken.

Consumer Records Privacy: Medical patient records adhere to confidentiality rules in compliance with the Health Insurance Portability and Accountability Act (HIPAA). To ensure confidentiality of patient records, OTC separates Adult Use and



Medical patient experiences from check-in at the Lobby through purchase. Pursuant to BPC 26161.5 (a-b) OTC does not disclose any customer's (adult use consumer, patient or caregiver's) personal information to a third party, except to the extent necessary to allow responsibility for payment to be determined and payment to be made or if the customer has consented to the licensee's disclosure of the personal information. Nor does OTC ever discriminate against a customer or deny a customer a product or service, because they have not provided consent to authorize the licensee to disclose the consumer's nonpublic personal information to a third party not directly related to the transaction.

Staff Performance Records: Meadow POS collects data on OTC's daily sales and assigns all transactions to the Cannabis Specialist that makes the sale to provide insights into staff performance and facilitate knowledge translation of successful retail practices to all employees. We store and retain these records for training purposes.

Training Records: OTC maintains a training matrix for each staff member that tracks annual renewal and expiration dates of all training modules. The General Manager retains a record of successful completion for all training modules in the training matrix for the respective training module. The General Manager schedules renewal training and notifies each owner, manager, employee and agent of training dates. We also create a training binder for each individual owner, manager, employee, and agent in correlation to the training matrix. The General Manager also maintains individual training binders that preserve integrity, legibility, and chronological documentation of training records.

Limited Access Records: OTC implements facial recognition software with the surveillance and RFID access control systems, which assists with restricting access to high security areas of the facility depending on the employee and their credentials. This software allows us to compile reports of all individuals who have accessed or tried to access limited access area as well as their employee badge number. These reports are used in conjunction with the inventory logs from Meadow POS to target diversion efforts. They are also readily accessible through the software, maintained in our overall recordkeeping system and are supplied to the DCC upon request. This software component far exceeds the state's minimum requirements for recordkeeping and inventory management as the we are able to link each movement of each cannabis item throughout our internal supply chain to an individual and maintain detailed records of these individuals' access to inventory.

Video Surveillance Records: Our surveillance system can provide remote and real-time live access to surveillance footage. We follow the below procedures maintaining video footage: (1) We maintain surveillance recordings for a minimum of 120 days, which far exceeds state requirements of 90 days (CCR 4 § 15044(h)); (2) We make all recordings available to the City for inspection or copy upon request; (2) We set calendar reminders internally to track the 120 days storage requirement and ensure footage has been stored for the proper amount of time before it is deleted; and (4) We utilize cloud-based storage and physical copies of recordings which are maintained as a form of double verification to ensure no recordings are deleted before their designated date of maintenance. Our onsite servers allow us to maintain storage onsite in addition to cloud storage. Further, on-site storage allows us to immediately download video to an external drive which can be provided to a requesting agency. In addition to being able to provide physical copies of stored video, we utilize DropBox, which allows us to provide a shared folder of video feeds from a given date and time range in the event it is requested by law enforcement. Cloud storage also has the benefit of allowing us to have redundant back up storage in case of a fire, vandalism, or other event that could compromise the onsite servers. Given our cloud storage and on-site servers, OTC's management and security team can send footage from a requested date and time range remotely in addition to being able to provide physical downloads at the premises.

Corrective Action Preventive Action (CAPA) Records: Records are maintained for CAPA that are executed at the facility. Corrective actions are issued in response to product quality nonconformities (including both internally identified and customer complaints related to product quality), customer service nonconformities, compliance nonconformities and identified nonconformities related to processes of the Quality Management System (including internal and external audits). For Corrective Actions, the procedure requires the clear statement of the nonconformity, assignments of responsibility for definition and completion of the corrective action, identification of root cause, identification of the corrective action(s) that are intended to prevent recurrence of the nonconformity and verification of the effectiveness. Corrective actions are not closed until verification of effectiveness activities have been completed and recorded. Records of corrective actions are documented using a form that supports the above required processes. For Preventive Actions, the procedure requires the clear statement of the condition that could result in a nonconformity (either related to product quality, compliance, customer service or other), assignments of responsibility for the definition and completion of the preventive action and the



identification of the preventive action(s) that are intended to prevent the occurrence of the nonconformity. Records of preventive actions are documented via memos and/or the use of forms implemented for corrective actions.

Quality Assurance and Quality Control (QA/QC) of Recordkeeping: OTC maintains quality control over the processes of recordkeeping to ensure ongoing compliance and thorough organization and maintenance of all records. We couple sustained excellence of Best Management Practices in Quality Management Systems from proven regulated industries such as pharmaceutical and nutraceutical manufacturing with competitive talent from the legal cannabis industry to establish and implement a rigorous and robust Quality Management System (QMS) for quality control over the processes of recordkeeping. OTC implements an ISO 9001 QMS with incorporation from ASTM D8229 - 19 Standard Guide for Corrective Action and Preventive Action (CAPA) for the Cannabis Industry and D8250-19 Standard Practice for Applying a Hazard Analysis Critical Control Points (HACCP) System for Cannabis Consumable Products. Applying these standards to our recordkeeping systems ensures a strict line of accountability, prevents errors and corrects any errors that do occur throughout records storage and retention procedures.

Internal Audits: We have developed and implemented a system for performing internal recordkeeping system audits to ensure the adequate storage and retention of records. Internal audits of each component of the recordkeeping systems occur at a minimum of once every 6 months, exceeding requirements of Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA). The Audit verifies that we are complying with the recordkeeping requirements promulgated by BPC Division 10 Chapter 16 and SMC § 7.04.310(A) and the criteria stated in the QMS and also ensuring that all records can be made available in written and electronic form to the DCC upon request. Audits are performed by staff members other than those responsible for the area being audited. Audit frequency is increased when audit results indicate that increased frequency would be beneficial. Audit results are presented to personnel responsible for the audited area of the recordkeeping system and cited nonconformities are resolved in a timely manner as defined in documented procedures. The audit process, nonconformance reports, corrective action plans, and effective corrective actions are referenced and obtainable through internal audit records.

External Audits: On no less than an annual basis (at or before the time of the renewal of a cannabis business tax registration certificate issued pursuant SMC § 7.04.310(A)), or at any time upon reasonable request of the City of Santee, OTC files a sworn statement detailing the number and amount of sales by the business during the previous twelve-month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement includes gross sales for each month, and all applicable taxes and/or fees paid or due to be paid. On an annual basis, we submit to the City a financial audit of our business operations conducted by our independent certified public accountant.

C.3.D. OPERATIONAL SECURITY: DELIVERY

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

Secure Delivery Procedures: Delivery Drivers go through vigorous employee training upon hiring and receive periodic training to ensure compliance with our standard operating procedures as well as compliance with local, state and federal rules and regulations. Delivery Drivers are instructed to comply with state regulations involving safety and do not travel with cannabis goods worth excess of \$10,000 at any time; this also includes the value of cannabis goods carried in the delivery vehicle for which a delivery order was not received and processed (4 CCR § 15418(a)). Drivers keep cannabis goods in Tuffy Tactical Security Lockboxes for added security, which are not visible to the public (4 CCR § 15417(b)). Lockboxes are installed and secured into the trunk of each car. At no time will delivery employees leave cannabis goods in an unattended vehicle unless the vehicle is locked and equipped with an active alarm system (4 CCR § 15417(c)). Vehicles are outfitted with a digital panic button, which Delivery Drivers can deploy in the event they feel their safety is threatened. This function notifies Dispatchers, Managers and local authorities of the driver's location. We adhere to a strict no tolerance policy with respect to the non-consumption rule for Delivery Drivers, and each delivery employee is made duly aware of the provision and provide a signed acknowledgement (4 CCR § 15419).



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

Delivery Monitoring Program and Product Security During Transportation: Each delivery vehicle is capable of securing cannabis goods during transportation (4 CCR § 15417(b)). Our entire fleet is integrated into our OnFleet transportation and logistics platform. OnFleet links each vehicle to a Global Positioning System (GPS) and works in conjunction with Meadow POS that tracks and records the following information, which exceeds the minimum reporting requirements promulgated by 4 CCR § 15418(d-e): (1) The time that our Driver leaves our facility; (2) The time our Driver completes a compliant transaction; (3) The time our Driver returns to our facility; (4) Our Driver's travel route between departing our facility, traveling between delivery locations and returning to the premises; (5) The identification of our Delivery Driver; (6) The vehicle used to conduct the compliant delivery; (7) The identity of the receiving customer; (8) The type and quantity of cannabis goods included as part of each order being delivered; and (9) The dollar amount charged for the delivery.

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

Vehicle Safety Practices: All vehicles are equipped with a built-in alarm system (4 CCR § 15417(c)). OTC's fleet is regularly serviced to avoid mechanical or technical issues. Delivery vehicles do not display advertising or symbols visible from the exterior that suggests the vehicle is used for cannabis delivery or affiliated with a cannabis retailer (4 CCR § 15417(a)). In addition to securing our vehicles against outside visibility, we have designed transportation packaging and odor mitigation protocol to further prevent detection of cannabis goods. First, all transported cannabis is placed in opaque containers that preclude visibility and identification of cannabis goods before being placed into the Tuffy Tactical Lockbox. This opaque packaging is in addition to the sealed packages that licensees are required to use and allows us to transport cannabis goods in as nondescript a manner as is feasible. OTC also implements activated charcoal odor absorption bags in areas where product lockboxes are located to mitigate the possibility of identification through odor. Vehicles are parked onsite in designated spaces during non-operational hours and during operational hours when not in use. OTC does not deploy unmanned vehicles "self-driving cars" (4 CCR § 15311(e)). Our facility has enough parking to accommodate all vehicles, and we utilize quiet hybrid vehicles, preventing delivery-related vehicle noise from becoming a nuisance to the surrounding community. Drivers are instructed to utilize hands-free calling via voice command technology and to obey California traffic regulations, always maintaining awareness of road and traffic conditions. We believe our equipment and safety protocols are in the best interest of the employees, the company, and the community. OTC implements a zero-tolerance hands-free and distracted driving policy for its Drivers and other employees. Employees are not permitted to operate a vehicle while performing tasks that may cause distractions. This includes using a wireless communications device to text, compose, read, or send an electronic message when the motor vehicle is in motion and while in traffic. This prohibition is effective during employees' work schedule, including when the employee is conducting business on behalf of OTC. If an employee must make a call, including an emergency call (911), the motor vehicle should first be parked in a safe location. All OTC employees and vehicles are covered under the Federal Motor Carrier Safety Administration

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(FMCSA) rules specifically prohibiting drivers of commercial motor vehicles from texting or using hand-held mobile phones while operating their vehicles. Each vehicle is equipped with hands-free Bluetooth calling and integrated voice command technology to reinforce this policy. To ensure proper licensing, registration and insurance of delivery vehicles, we provide the following information to the City before commencing delivery operations: (1) Number of delivery vehicles; (2) Location of vehicle storage; (3) Extent of delivery area; (4) Proof of ownership or a valid lease for each vehicle; (5) Proof of registration for each vehicle; (6) Year, make, model, color, license plate number, numerical Vehicle Identification Number (VIN) for all vehicles used to deliver cannabis goods; (7) Proof of Liability Insurance; (8) Proof of Worker's Compensation Insurance; and (9) The above information for any new vehicles or any changes to the above information within thirty (30) calendar days.

Alcohol and Drug Screening of Delivery Personnel: We promote the responsible purveying of cannabis products among our staff and patrons by upholding a prohibition on the consumption of cannabis, alcohol and tobacco on site. This also applies to delivery staff while operating company vehicles or performing delivery services at any times. Management carefully monitors delivery staff before commencing delivery services to identify behaviors that suggest intoxication and/or impairment. Cannabis impairment can be subtler than alcohol intoxication, but there are telltale signs that management are trained to identify. We use the mnemonic device SCAB, which stands for Speech, Coordination, Appearance and Behavior; any employee who exhibits intoxication traits related to speech, coordination, appearance, and behavior is prohibited from performing their duties and is immediately sent home. If alcohol or drug consumption is confirmed after testing the employee is terminated. Additionally, all employees must be cleared through a California driving record check as part of their pre-employment background check, which also includes a Motor Vehicle Report (MVR) check that provides a detailed look into the candidate's driving history.

C.4. CASH HANDLING

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

GENERAL ACCEPTED ACCOUNTING PRINCIPLES (GAAP): The following summarizes OTC's general strategies and methods for incorporating GAAP into SOPs for accounting and cash handling:

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

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

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

Information & Communication Systems: OTC establishes operations tracking via progress and compliance, broad distribution of information with regards to timeliness and accuracy, regular checks with employees to ensure they have required informational access, distinct lines of communication especially regarding fraud and ethics concerns, and reliable documentation of all lines of communication.

Monitoring: Management is responsible for verifying the effectiveness of all controls, including quality control reviews over all processes including exception checks and management approvals, routine reviews of expected performance and



actual performance, singular control assessments, external auditing, tracking corrective responses, and continued vigilance at all levels.

CASH HANDLING PROCEDURES: We are cognizant of all potential risks and hazards associated with cash transactions given the amount of cash involved in cannabis retail due to unresolved banking issues. We have partnered with DAMA Financial and are implementing their Smart Safe system at all our retail locations. We use Meadow POS to provide point of sale data as well as audit trails for both product and cash. Our employees are prepared for a wide array of circumstances involving cash transactions, storage, and transport. The following cash management protocols help with their preparation and overall financial security of the facility.

Cash Tracking – Counting & Reconciliation:

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

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

All cash from registers are moved to the DAMA Smart Safe System by management during off-hours. Cash removed from each register is individually bundled for tracking purposes and collected by a facility manager before being deposited into the Smart Safe and reconciled with DAMA.

DAMA's banking and Smart Safe System require real time invoicing and do not allow pick-ups or deposits that are not directly linked to an approved transaction and receipt. This high level of traceability allows us to minimize losses related to cash transactions, as well as to transition all of our outgoing payments to electronic



wires and ACH. DAMA's cash transport also provides petty cash when needed for registers, which allows us to avoid any employees having to engage in cash transport for the business. The facility is outfitted with an alarm system that operates 24 hours a day 7 days a week to detect any attempted intrusion or theft, and notifications are sent in real time to respond to these adverse events and prevent the robbery of cash during off hours. In addition to on-site cash storage measures, our delivery vehicles are outfitted with Tuffy Tactical Security Lockboxes for cash storage. All cash received during deliveries is placed in Tuffy Tactical Security Lockboxes, which are secured to the inside of the vehicle's trunk and require a key for access. When returning to the site after conducting deliveries, drivers are escorted by security into the facility where they then place the money into a cash envelope and drop it in the cash drop safe for a manager's review before deposit into the Smart Safe.

Cash Transport: OTC contracts with our banking partner DAMA Financial which utilizes Axiom Armored Car Service to transport cash deposits from the store to a designated banking institution.

Delivery

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

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

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

Counterfeit Prevention: Staff and security guards are proficient in use of on-site, anti-counterfeiting devices and practices. All currency is subject to note verification prior to finalizing transactions. OTC employees are proficient in use of counterfeit marker pens, and UV-lighting systems for bills and identification. Designated Cannabis Specialists are responsible for exercising care in screening transactions for counterfeit currency. If a questionable bill is received, the Cannabis Specialist retains possession of the bill and contacts the Team Lead immediately. Documentation of counterfeit currency includes the date and time of the transaction, the Cannabis Specialist name, the customer's name, customer license number and state, and a detailed description of the counterfeit bill. A time-stamped photo of the counterfeit bill(s) and customer identification is taken; upon advanced approval and direction from local law enforcement, the SDCSD or other relevant authorities may be called to the store. All responses to counterfeit currency are managed by the on-site General Manager to ensure the efficiency of addressing staff members without drawing attention from attending customers. Under no circumstances are the counterfeit bill(s) returned to the customer. Checks and Money Orders are never accepted.

Employee Training in Cash Management: See below under *Security Training* within *C.6. Employee Training & General Security Policies* for further detail regarding training in cash handling procedures.



C.5. PERIMETER SECURITY

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

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

C.5.A. PERIMETER SECURITY: EXTERIOR LIGHTING

A photometric lighting plan has been developed to address outdoor lighting that deters crime and avoids light pollution. We incorporate guidance and best management practices from the Illuminating Engineers Society (IES) into our lighting system design, implementation and maintenance, including the following standards in the context of security lighting: (1) IES OL-IM 03



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Lighting Applications Standards design criteria for commercial, residential, industrial, museum, healthcare and many other lighting applications serves as a foundation for creating a lighting plan focused on perimeter security and ensures that lighting is appropriate for specific environmental contexts, enhancing visibility and deterrence against potential security breaches; (2) IES OL-IM-04 Lighting Measurements and Testing Standards provides testing and measurement standards for light sources with the goal of providing a reliable and consistent system for calculating and measuring designed and installed and illumination systems, including photometric, optical, electrical, color and thermal light testing; (3) IES OL-IM-02 Lighting Practice Standards details design principles for indoor and outdoor environments, descriptions of light sources, luminaires, control systems, upgrades and maintenance; (4) IES OL-IM-05 Roadway and Parking Facility Lighting Standards provides guidelines for designing lighting systems for adequate illumination for security lighting in parking areas; and (5) IES RP-2-20 Recommended Practice – Lighting Retail Spaces provides retail-focused lighting and the development standards of effective security lighting systems. The emergency lighting system is equipped with two LED lamp heads for emergency activation and an illuminated "EXIT" sign to remain illuminated at all times. An uninterruptable power supply is linked to the emergency exit sign above all main points of ingress and egress. Our facility is illuminated during hours of darkness with exterior lighting. The lights are shielded and directed downwards in a way that provides an average maintained horizontal illumination of one foot-candle of light on the parking surface and walkway. Our exterior lighting illuminates the following areas of the premises: (1) All areas of the parking lot; (2) Intermittently throughout the main portion of the parking lot; (3) Along the building façade; (4) Along the rear of the building where shipments are received; and (5) The rear where the trash enclosure is located. Proper lighting is used on the perimeter of the site allowing the video surveillance cameras to adequately capture activity around the building. Dual flood lights with motion sensors are installed on all sides of the facility. We look to overlap our lighting fixtures to provide complete coverage and avoid gaps where shadows may occur. We also incorporate photocell controls that turn on exterior lights at dusk when it gets dark and turns off in the morning when the sun rises. All exterior lighting features energy efficient LED bulbs, which have a longer life than other common types of security lighting. We use reflective paint on exterior walls near lighting fixtures to enhance illumination.



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

C.5.B. PERIMETER SECURITY: ONSITE SECURITY GUARDS

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

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

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

Guard Position Locations: Security Personnel are stationed between: (1) Main Entrance; (2) Retail Floor; (3) Dispatch/Delivery; (4) Lobby; (5) Roving patrols of all departments within the facility's interior; (6) Secure Storage Room and (7) Roving exterior security sweeps. A guard is present at all times in Limited Access Areas (LAAs) when shipments of cannabis are received and when cash pick-ups occur. They protect all public/private property within OTC's security jurisdiction to include all material, equipment and supplies from fire, accident, theft, sabotage, and trespass. Guards conduct random exterior patrols to reinforce perimeter security and uphold our commitment to preventing public disturbances. Guards operate, maintain, and enforce a system of personnel ID and access controls for employees and visitors. They document all security deficiencies and discrepancies via radio dispatch and written reports to Shift Supervisors prior to shift completion. Particular emphases for reporting is placed on the following: (i) Any open, unattended exterior doors after normal working hours; (ii) Any person inside the facility without a visible badge or visitors' pass; (iii) Employee or visitor theft or sabotage; (iv) Any limited access door open and not in use; (v) Investigation of any observed incident, i.e., persons in the facility without proper ID; and (vi) Alarms generated by the electronic security and/or fire system.

Guard Roles & Responsibilities: In addition to assigned post orders for day-to-day operations, guards are responsible for the following daily activities: (1) Protect all property within OTC jurisdiction, to include material, equipment and supplies from fire, accident, theft, sabotage, trespass. Conducting random patrols; (2) Safeguard and protect facility information, documents, material, and equipment; (3) Operate to the extent prescribed by established post orders, policies and procedures; (4) Operate, maintain, and enforce system of personnel ID and access controls for employees and visitors; (5) Remain consistent with authority, apprehend and detain suspicious person(s), or those who attempt or do gain unauthorized access to the facility, for release to local law enforcement; (6) Maintain law and order, prevent illegal acts that jeopardize safety/security of facility and personnel; (7) Make apt station checks using a watch clock and electronic tour system with

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an emphasis placed on open, unattended exterior doors after normal working hours, any person in the facility without a visible badge/pass, unattended vehicles parked outside the facility; and any work being conducted outside the facility or adjacent to the property line; (8) Maintain control of keys and pass codes to facility locks; (9) Report all violations of security to OTC's point of contact and shift supervisor; (10) In event of emergency, follow existing emergency and contingency operating procedures; (11) Enforce established policies and procedures for controlling removal of property/documents from site; (12) Monitor, assess, and respond to alarms; (13) Monitor CCTV cameras; (14) Investigate and report any suspicious activity in accordance with established security policies and procedures; (15) Perform escort duties as required by security policies and procedures for the facility; (16) Conduct random personnel/vehicle inspections as directed; and (17) Maintain written duty and activity logs for review by OTC, including investigation of any alarm generated by the security system, investigation of any observed incident, i.e., people on site without proper ID, visits by local law enforcement, any emergency vehicles accessing the facility, any doors, gates, windows, etc. found open during the guard's roving patrol.

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

C.5.C. PERIMETER SECURITY: PHYSICAL BARRIERS

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

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

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



Fencing: Fencing is one of the most effective physical barriers for after-hours perimeter security and we plan to install attractive wrought iron fencing to encapsulate exposed portions of the premises and the property perimeter. Electronic gates are also an essential element to our fencing systems that give us the ability to easily close and lock the gate remotely and during nonoperational hours. We employ wrought iron fencing with bars that are spread widely enough apart to avoid being overly recognizable from afar but are close enough to prevent anyone from reaching their arms through the fence in an attempt to unlock or compromise the fence. Wrought iron fence is integrated into the landscaping and its overall design complements the design features of the building to create some additional aesthetic appeal.

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

Landscaping: We also plant, alter and maintain all exterior vegetation in a fashion that precludes its use as a hiding place for persons on the premises. Any considerations for landscape updating, improvement or alteration are made with respect to security and upholding this standard for exterior landscaping. Security Personnel are trained to detect individuals who are attempting to hide amongst exterior vegetation. We inspect the facility exterior for grass, weeds and foliage within 50' of the building that may lead individuals concealing themselves from view (SMC § 7.04.320(A)(16)), check that all dumpsters or non-cannabis waste receptacles are closed to prevent anyone from hiding inside a dumpster and close any open dumpsters.

C.5.D. PERIMETER SECURITY: INTRUSION ALARM AND MONITORING SYSTEM

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



TYPE OF EQUIPMENT	NAME/MODEL	FEATURES AND SPECIFICATIONS
Security Alarm System Control Panel	C3 Pro 400 Access Control Panel	Readers Supported: 26 to 66-bit formats; Communication: TCP/IP, RS-485 and WI-FI optional; Data is preserved if power lost, controller continues to operate if data connection is interrupted; Alarm and event notifications are sent via email; Supports video integration and visitor management module; Real-time monitoring via web browser; Anti-Passback, First-Card Opening, Multi-Card Opening, Duress Password Entry, and Auxiliary Input/Output Linkages built into the firmware



Access Card Reader	ZKAccess KR500 HID Compatible 125kHz Proximity ID Card Reader	Capable of Reading HID and ZKAccess 125 kHz 26-bit Proximity Cards; Built-in Wiegand-Out Port; IP67-rated
Ceiling Mounted Motion Detection	Bosch DS9360 TriTech Ceiling Mount PIR/Microwave Detector	Motion Analyzer II Processing; Microwave adaptive processing; Self-test supervision system; Changeable Mirrors; 360° x 18-meter (60ft) diameter pattern
Keypad for Intrusion Detection System	DMP Thin Line LCD Keypad Model 7073/A	Custom 16-character home or business name in the display; Four 2-button panic keys; AC Power/Armed LED; 32-character display; Backlit keyboard and DMP logo; Internal speaker; Red keyboard lighting in alarm conditions; Simple harness connection to 4-wire keypad bus; Optional backboxes for conduit or wall mount applications; Provide four fully programmable, Class B, Style A, supervised, power limited protection zones that can be programmed for a variety of burglary and access control applications; Provide a built-in proximity card reader designed to read proximity credentials; Provide a door strike relay and allow Wiegand input from external card readers
Wall Mounted Motion Detection	Bosch PIR Motion Detector	Dynamic temperature compensation; Improved false-alarm reduction with First Step Processing feature; utilizing signal amplitude, polarity, slope and timing calculations
Strobe/Horn System	STI Select-Alert Siren and Strobe System	32 Selectable Alert Sounds and volume control; High-intensity LEDs with 8 flash patterns and speeds; Durable, polycarbonate construction; IP66/ IP54 Compliant; Lens Tamper Evident; Decibel Rating range: 85dB-105dB
Intrusion Detection Door Contacts	GE Magnetic Recessed Steel Door Contacts	Designed specifically for steel doors; Regular, Wide Gap, SPDT, DPOT and high security modes available; Hermetically sealed magnetic reed switches encased in fire-retardant ABS plastic housings
Under Desk Duress Button	Bosch Radion Dual Panic Remote Switch	Five-year battery life; Water and dust resistant; Wireless configuration; Operating Frequency: 433.42 MHz
Mosquitos	Mosquito MK4 anti-loitering device by Mosquito Loitering Solutions	Industry leading audio repellent emits high pitch frequencies to deters malicious individuals; Weatherproof zinc alloy casing; built-in transformer that covers either 240v AC or 110 AC to 24c DC

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

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detectors on all accessible entry points along with a 360-degree motion detector installed in the main room of the premise. The entry and motion detection system allows BAC to be alerted of any potential intrusions during non-operational hours.

C.5.E. PERIMETER SECURITY: VIDEO SURVEILLANCE

OTC has outfitted the facility with a professionally installed and maintained surveillance system that complies with requirements of SMC and is monitored by Bay Alarm Company, an approved, UL-listed central alarm monitoring company. Our video surveillance system is of adequate quality, color rendition, automated switching to black and white in lowlight conditions and resolution to allow ready identification of any individual committing a crime anywhere on or adjacent to the premises. Cameras are housed in weatherproof housing to prevent tampering and vandalism. The surveillance system storage device and cameras are compatible with the city's software/hardware and are transmission control protocol/TCP capable of being accessed through the internet by the San Diego County Sheriff (SDCS) upon request. The surveillance system can allow the alarm monitoring company to hear live video of the premises upon activation of the alarm. Our video surveillance system can provide remote and real-time, live access to the video surveillance footage. We maintain surveillance recordings for 120 days, which is 33% more than the amount of storage time required by state law and make them available to the city for inspection or copy upon request. The video surveillance system is accompanied by clear and legible signs at the public entrance and various other locations throughout the facility that states: "All activities monitored by video camera". The video surveillance system is comprised of Indoor Closed Circuit Television (CCTV) Surveillance Cameras, Outdoor CCTV Surveillance Cameras, 360° CCTV Surveillance Camera, Ceiling Motion Detection units, and Wall Mounted Motion Detection Units. An Uninterruptable Power Supply (UPS) housed in the secured, limited access Office backs up the video surveillance system, and all security systems can remain operational and secure the facility in the event of a power outage (SMC § 7.04.320(A)(11)).

BayGuard+ Live Monitoring: Bay Alarm's BayGuard+ live video monitoring gives us in complete control of our business's security system. BayGuard+ combines top-of-the-line security solutions with high-definition video to deliver a complete solution for perimeter security. Live video monitoring ensures our business is protected when a threat is present, while also mitigating false alarms. When the security system is tripped through motion detection, intrusion detection or visual notification of human presence onsite, our system sends a video verification request to Bay Alarm's Five Diamond Certified monitoring center where expert analysts are given access to pre- and post-alarm video clips, as well as live video feeds from our [security cameras](#). With video evidence on hand, Bay Alarm analysts can easily determine if an intruder or other threat is present. Once a threat has been identified, appropriate personnel are immediately dispatched. If the analysts confirm that your business is secure and that it's a false alarm, the alarm is deactivated. BayGuard+ increases the odds that intruders are held accountable for their actions. In circumstances where an intruder has broken into our business, the video documentation produced by BayGuard+ can be used to help in the investigation and prosecution of the perpetrator. BayGuard+ integrates with the Bay Alarm Link mobile application, allowing ownership, management, employees and security personnel to monitor your business while onsite or anywhere else that they can obtain a cellular signal or Wi-Fi. The application can be installed on a smartphone or tablet and sends notifications immediately when there is an alarm notification. The mobile application then displays live video or recent video clips produced by our security system.

Camera Devices and Resolution: Cameras exceed minimum camera resolution of 1280x720 pixels with 1920x1080 for outdoor cameras and 2560x2048 pixels for indoor cameras respectively. All exterior devices are encased in weatherproof housing and positioned in a way that prevents vandalism or tampering. The proposed Security Overlay incorporates 43 cameras for complete interior and exterior coverage. Exterior BayGuard Live Cameras provide the ability for monitors to speak directly to any potential trespassers through loudspeakers that assist with de-escalation efforts to scare off most trespassers. Exterior cameras on the overlay are outfitted with this feature.

Camera Placement: All camera systems are permanently mounted in a fixed location and placed in a location that allows the camera to clearly record activities occurring at a minimum of 20-ft of all points of entry and exits of the facility; allowing for the clear and certain identification of any person within surveillance. Additional cameras are positioned to include, but not be limited to, the following areas: (1) Secure Product Storage Room (LAA); (2) Office (LAA); (3) Vault Room (LAA); (4) Dispatch/Delivery (LAA), (5) Lobby; (6) At every POS terminal on the Retail Floor positioned to record and clearly identify the employee and purchaser of cannabis product(s) within the Retail Floor including a view of all point of sale transactions; (7) Entrances/Exits including emergency egress/delivery door; and (8) Throughout the exterior positioned to record the parking lot, the trash enclosure, the pathway leading from the Mission Gorge Sidewalk and the alley along Paseo



Bello. Each camera is weatherproof and comprised of a 2.8 mm fixed lens with an infrared focus range up to 65ft at .01 lux capacity. All cameras are pre-programmed at 30 frames per second. All security cameras continuously record 24 hours a day, 7 days a week with camera footage time stamped in compliance with United States National Institute Standards and Technology (USNIST) standards. Surveillance footage of all on-site activities is stored and maintained utilizing two (2) LTS 32-Channel Digital Video recorders. Resolution for video recording and playback are at full High-Definition quality at 1080-P, recording at 30 frames-per-second. The storage capacity of this DVR maintains video recordings for 120 days, with audio, for up to 32 camera units for each recorder, or 64 total camera units. The digital recording device is equipped with an automatic reporting system for system failures, interruptions and/or malfunctions via on-site and remote notifications. Reports are viewable via phone, tablet or monitoring console 24 hours a day, seven days a week. The recorders are equipped with 3 USB ports for download of videos to portable hard drives and can support up to 128 remote connections for monitoring, allowing local law enforcement access. Local law enforcement is given unrestricted remote access to the video surveillance system for further monitoring of the facility. Time and date-stamped surveillance recordings are provided to SDCSD, the City Manager, their designees, any other relevant City personnel and DCC upon request and within the timeframe specified. The recorder is secured by a 15x15x5-inch DVR/NVR Heavy Duty 16 Gauge Security Lockbox Enclosure with a built-in AC Fan and is wall mounted at a minimum height of 10-feet. Delivery vehicles are equipped with dash cameras that provide 24-hour, constant recording on a loop. These cameras are used when a delivery vehicle is involved in a traffic collision as well as cases involving theft or diversion of cannabis goods or cash.

Failure Notification and Camera Backup Power Supply: An on-site backup battery to the on-site NVR and security camera systems provide emergency backup power. Its primary function is to ensure that, in the event of a power outage or failure, our surveillance capabilities remain active and uninterrupted, safeguarding our premises without any gaps in security coverage (SMC § 7.04.320(A)(11)). Upon the detection of a power failure, the backup battery automatically activates, supplying emergency power to both the NVR and the camera systems. Should the power supply switch to backup, or if there are issues with the battery itself, Management and our security team receive immediate alerts, allowing for rapid response to resolve power issues and ensure the backup system is functioning as intended.

Digital Video Recorder (DVR): We typically use two (2) LTS Platinum Enterprise Level 32 Channel Recorders, offering up to 64 combined Channels, VGA and dual 1080P HDMI output for high-definition viewing, flexible playback across all 32 channels, comprehensive audio support with 16CH/1CH RCA Audio In/Out, 16/8 Alarm In/Out for robust monitoring and alerting, storage capacity up to 48TB across 8 SATA drives for extensive video archiving, 3USB 2.0 ports and a variety of network protocols, including TCP/IP, PPPoE, DHCP, DDNS, NTP, SADP, SMTP, SNMP, NFS, iSCSI, UPnP, HTTPS and 1/16 fps real-time frame rate for peak performance.

CCTV Surveillance Cameras: We typically use Platinum HD-TVI Dome Cameras, offering 5MP high-definition resolution at 2560x1994 and 20 fps for crystal-clear imagery. These cameras come with a 2.8mm fixed lens for wide coverage, 2 Matrix IR LEDs providing up to 65ft night vision, and are built to withstand harsh weather (IP67) and vandalism (IK10). Their 3-axis adjustment allows for flexible positioning, ensuring comprehensive monitoring. Additionally, with an HD-TVI output, these cameras support high-quality video transmission over long distances using coaxial cables.

360° CCTV Cameras: We typically use Panasonic 360° Vandal Resistant Outdoor Dome 9-Megapixel Network Camera with Transmission modes that include, Panorama, Double Panorama, Quad PTZ, Single PTZ, and Quad streams (H.264), 9 Megapixel images up to 15fps. And High sensitivity with Day/Night (ICR)* function: 0.3 lx (Color), 0.04 lx (B/W) at F1.9* ICR: IR Cut filter Removal. Built-in ABF enables automatic focus adjustment for sharp image in color and B/W modes and corrects the focus shift caused by temperature differences. The cameras are also outfitted with SDXC/SDHC/SD Memory card slot for manual recording (H.264 / JPEG), alarm recording (H.264 / JPEG) and backup upon network failure (JPEG) and Full duplex bi-directional audio that allows interactive communication between camera site and monitoring site.

DVR Lockbox System: Lockbox equipment and specifications include an 18"x18"x5" DVR/NVR Lockbox, Security Lockbox Enclosure Heavy Duty 16 Gauge with AC Fan, with Wall/Floor Mount. The Lockbox is made of 16 gage steel with removable lid for easy access, locking front door with cam lock and 2 keys, air vents, cooling fan and power cord for cooling, rubber bumpers and durable textured powder coated finish. The top cover can be screwed in for additional security. A single 1.75" knock out and three separate 1" knockouts ensure the maximal space available to pass through cables. The lockbox comes with mounting bolts, rubber feet, and 1 set of keys; additional sets are made for relevant personnel as needed.



Installation Procedures: We have developed installation procedures for the surveillance system based on the outfitting and operation of 20+ commercial cannabis facilities throughout California. Below is a summary of these procedures: (1) We first work with Sam Yador, Armortech Security and the Bay Alarm Company to ensure that our Premises Diagram includes surveillance cameras in all of the relevant interior and exterior locations; this includes a camera pointing at each POS terminal, in the Office, in various points throughout the Storage Room, throughout the facility exterior and all other locations highlighted in our premises diagram; (2) We then conduct a walkthrough of the premises prior to electrical installation to ensure adequacy of surveillance camera locations and physically mark the location of all security cameras; (3) We work with our contractor and/or electrician to schedule installation of all electrical components and hardwiring for camera installation. We incorporate additional hardwiring infrastructure throughout the site in case we choose to expand our coverage through incorporation of additional cameras in the future; (4) We schedule camera installation with the Bay Alarm Company under the supervision of Sam Yador with enough time to test the system, determine any blind spots that are not covered by the surveillance system and ensure proper functioning with enough time before opening the business to troubleshoot any issues or make any changes to the layout; (5) Installation is conducted by the Bay Alarm Company; this includes mounting cameras, connecting wiring and electrical components, DVR installation and connectivity; (6) We will work with SDCSD to schedule a test of connectivity to ensure they are able to access our footage remotely and make any adjustments accordingly; (7) Surveillance cameras are linked to the Bay Alarm Company's remote monitoring system; successful connection is indicated by their ability to view our facility on their monitors; (8) Surveillance cameras are linked to our internal monitors and we are able to view all areas of the facility internally; (9) We export footage to a hard copy and test that export on another device to ensure footage can be reproduced for law enforcement; (10) We run a test of sufficient clarity with someone entering the Retail Floor and standing at a POS terminal to ensure we can capture their facial features and other details that could potentially be used to prosecute a crime committed at our facility; (11) Any changes to devices, fixtures or other equipment relating to panic buttons are made based on testing protocols; and (12) Surveillance cameras are ready for use at the operational facility and maintained on a quarterly basis.

Compatibility with SDCSD Systems: OTC will provide the SDCSD with access to our video surveillance and will ensure compatibility with the City's software and hardware throughout all operations. In addition to the above, OTC sets up a secured online feed for its overall facility camera coverage. This secured website can only be accessed through limited credentials and allows outside agencies, such as the DCC, Armortech, Bay Alarm, and local law enforcement to access our cameras through a remote feed independent of any hardware or software requirements. Remote, secure feeds have been extremely useful in the event of a hardware problem for outside agencies as well as if there are complications with synching to meet requirements of local law enforcement.

C.6. EMPLOYEE TRAINING AND GENERAL SECURITY POLICIES

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

Implementation, Monitoring and Evaluation: The TDP includes multiple phases, and each phase consists of various training modules that collectively educate employees on the entirety of compliant cannabis retail operations. Our onboarding training consists of a 5-day introductory training module and includes operational and security training to help new staff learn system protocols that their positions require. This first phase of training is conducted in a classroom setting and includes the following topics: (1) Client Check-In, Screening, Registration & Validation; (2) Processing Transactions and



Point-of-Sale; (3) Security Operations; (4) Inventory Control; and (5) Local and State Regulations. Two out of the five days of our Phase One onboarding training are dedicated to security alone. Staff members must pass a written examination with a minimum score of 85% prior to graduating to the second phase of onboarding training, where they perform practical exercises and simulated demonstrations of the protocols and procedures that they were trained on in Phase One; the specific practicums required for each type of training are described below. Phase Two also includes trainee evaluations and feedback in real time to help new hires understand their strengths and overcome any areas of weakness ensuring they are best equipped for success. Once they pass through the second phase of training, employees are officially ready to begin their duties as an OTC staff member.

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

Security Training: As highlighted above, a significant portion of the TDP involves training in specific elements of the Security Plan, including but not limited to: preventing diversion, inversion, theft and loss of cannabis; reporting requirements for disqualifying offenses; pocketless uniforms; random pat down searches; serious injury or death of an employee; employee assault; employee theft, fraud or embezzlement; suspicious activity protocols; access control protocols; main facility entrance procedures; ID sign in-log procedures; confidential passwords; identification badges; facility agent identification procedures; emergency exits and evacuations; video surveillance system; data security; vulnerability and threat assessment training; sexual harassment prohibitions; workplace violence; inventory management, control and reporting; and reporting potential violations and security issues. Staff members are required to demonstrate the following, at minimum, prior to working their first shift at OTC: (1) How to follow established procedures to access the main entrance using badge and employee PIN; (2) Gaining access through the security pass through by electronic means to enter Limited Access Areas (LAAs); (3) Properly displaying their badge; (4) Observing security threats in parking areas and other areas in the surrounding neighborhood; (5) Cash management protocols; (6) Loading and unloading cannabis goods to and from a delivery vehicle; (8) Proper operation of security equipment such as access control, alarm and surveillance systems; and (9) Walkthroughs of robbery, burglary and active shooter situations. Community Advisor Randy Burgess has applied over three decades of experience as a decorated officer in the San Diego Police Department to provide input on the content of these training modules so that our staff is best prepared to prevent and respond to critical incidents. Randy also supervises and participates in all training sessions to ensure the effectiveness of the training content and that our employees retain this information. Below is a detailed breakdown of the more important training topics and modules within Security Training:

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

Security Training Module – Robbery & Burglary Protocols: Burglary training provided to staff is designed to eliminate direct conflict with suspects, making various mental notes and observations while facilitating rapid suspect departure. Mental notes include descriptive features and distinguishing marks on suspect(s) including clothing, hair color, eye color, scars, tattoos, etc. Staff is trained to handle high stress situations by prioritizing staff and customer safety over money and merchandise. Employees are shown locations of silent alarms and panic buttons but are always instructed to comply with demands and alert robbers/burglars of potential escalation factors. OTC employs a no chase policy and trains staff to enforce minimum contact protocol with robbers. Robbery management training is aimed at teaching de-escalation techniques and



emphasizing customer and staff safety. Staff must remain as calm as possible – refraining from spreading panic and following direction as swiftly as possible. Crime scene preservation (such as items, entryways and control systems accessed and utilized by suspects), cooperation with law enforcement, alarm activation and maintaining confidentiality of occurrences are additional training concepts. Such protocols are in effect to protect staff, security, and the general public from harm including bodily injury or death. In addition to training for security and safety, all staff completes the following courses: (1) FEMA IS-906: Workplace Security Awareness – this course hones employee awareness of workplace security threats, teaching them to identify and mitigate risk; (2) FEMA IS-907: Active Shooter –this training prepares staff to respond effectively to active shooter scenarios; and (3) FEMA IS-912: Retail Security Awareness – training bolsters security awareness, equipping staff with strategies to prevent fraud and theft, as well as to safeguard assets. Management also completes: FEMA IS-37.19: Managerial Safety and Health designed to sharpen their ability to oversee safety and health policies that protect both staff and clientele. OTC’s burglary and robbery protocols focus on protecting assets, preventing unauthorized entry, and deterring crime from the outset. All OTC employees are trained on how to deter these crimes and respond during the commission of these crimes in order to maximize safety.

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

Security Training Module – Emergency Response: All employees undergo safety training throughout onboarding and receive additional training. In addition, semi-annual scripted training courses are required with group and individual evaluations. Each employee is evaluated on several objectives, including understanding and execution of required protocols, attention to detail, verbal communication, and ability to demonstrate restraint and control in complex and ever-changing circumstances. General Safety Protocol is to include earthquake, fire and evacuation safety training that teach employees to manage varying circumstances. All staff is made aware of exits and standard safety protocol. The location of fire hydrants and manual fire sprinkler valves are addressed in training as well as how to properly coordinate evacuation efforts including limited access evacuation considerations. General safety training also includes chemical safety, office furniture and equipment safety, and safe work practices. This training is supplemented by the employee handbook safety rules and safe work practices. Finally, a list of safety rules is provided to all staff and posted in various locations throughout the premises.

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

Operations Training: The TDP integrates general operations training in tandem with security training to cover all aspects of daily operations for a commercial cannabis retailer. Through our TDP, our staff receives comprehensive training in all areas of operation so they can effectively do their job, help us maintain compliance with local and state regulations and instill a safe and secure environment at the facility. OTC makes a substantial investment in staff education and training to include differences in products, product potency, delivery methods, customer service, and laws governing personal use. Staff are trained to spend as much time as needed with clients, suggesting alternatives, and discussing disadvantages and benefits of different products and consumption methods. Beyond customer service and product knowledge, staff training also focuses on operational training, which educates staff on essential standard operating procedures (SOPs) and compliance



protocols. Phase Two of general operations training includes situational simulations where managers and senior staff simulate workplace scenarios such as a mock transaction or an inventory discrepancy to ensure staff is prepared to perform their duties. The following provides further detail regarding some of the more critical training topics and modules within Operations Training:

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

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

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

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

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

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

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

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

Operations Training Modules - Inventory Management, Control and Reporting: Employees are trained how to document incoming inventory in the store's inventory database. All staff are trained to reconcile daily and weekly sales, conduct weekly inventory reconciliation, enter new products by creating product names, categories, and SKU's, coordinate product disposal and report expired product in Metrc based on expiration dates. The General Manager, with the oversight



of the COO, ensures all staff have the education, training, and experience essential to perform all assigned inventory functions. Employees will not be allowed to report to work prior to receiving orientation training, which includes inventory training. OTC ensures that all employees receive annual refresher training that, at minimum, covers all necessary topics, including batch sampling, reviewing Certificates of Analysis, transporting inventory and various other topics.

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

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

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

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

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



SECTION D: QUALIFICATION OF OWNERS

D.1. OFF THE CHARTS' CANNABIS BUSINESS EXPERIENCE

Off the Charts (OTC) is a family-owned and operated commercial cannabis consortium with licensed businesses across the state of California, New Mexico and Ohio. Our company began as a premier cannabis retailer with an organizational focus on health and wellness, product quality, and the development of deep-rooted community connections all over Southern California. OTC has evolved into a prominent businesses consortium, a multi-state operator that conducts commercial cannabis activity throughout all areas of the supply chain while maintaining the same core values that contributed to the company's initial success. Our Santee ownership team's experience is exemplified by 20+ combined years of cannabis industry experience and 80+ combined years of professional experience in highly regulated industries.

OTC Owner and operators Norman and Darline Yousif are a husband-and-wife team who have spent most of their lives in San Diego County. Norman's family emigrated from Baghdad, Iraq to El Cajon when he was 9 years old, and Darline was born and raised in San Diego. Their first endeavor in the cannabis industry was the opening of OTC's flagship location in Vista, CA in early 2019, soon after the enactment of the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA). Norman and Darline quickly garnered a fervent customer base and optimized performance to achieve exceptional revenue outcomes; today the Vista store averages over \$20 million in annual revenue. Their experience as residents and business owners in San Diego County gives them unmatched insight into community values and attitudes of this region, which helps them cater the OTC experience to consumers in Santee.

Norman and Darline used residual funds from the Vista location to open two businesses in Palm Springs, CA, one of which features a consumption lounge and is subject to heightened regulatory scrutiny, and another business in Winterhaven. OTC has continued to grow rapidly in the last five years, currently operating 20+ businesses in California, one dual use dispensary in Ohio and holding two (2) licenses in New Mexico. While health and wellness remained a consistent part of OTC's business model, working with our equity partners helped us understand the importance of providing opportunities to diverse populations and members of marginalized communities, some of which have been negatively impact by the War on Drugs and racial injustice. Our proactive contributions towards rectifying the injustices of the War on Drugs is exemplified by the allocation of over \$1 million in seed funding to social equity businesses throughout Los Angeles over the last give (5) years along with operational guidance to help these businesses thrive; OTC has embedded the principles of equity, diversity, and inclusion deeply within our corporate structure as a result of these initiatives. These concepts, along with a commitment to promoting quality of life, public safety and public health, define our company's overall ethos and comprise the foundation of our refined approach to commercial cannabis operations.

In Santee, OTC is benefitting from the experience and knowledge of local figures who have lived and worked in and around this community for decades. Community Relations Officer (CRO) Loren Krumweide brings nearly 40 years of extensive experience as a Fire Protection Engineer with the Santee Fire Department, where he has spent his career designing and evaluating fire safety systems, ensuring that buildings and infrastructure throughout the City meet strict fire codes and regulations, reviewing construction plans, inspecting fire protection systems, and collaborating with various government agencies to ensure the highest standards of fire and life safety. Community Advisor (CA) Randy Burgess has lived in Santee for the last 35 years and has built a career as a decorated officer in the San Diego Police Department. Community Advisor Joe Green has served on the City Council in Vista and oversaw the development and implementation of Vista's commercial cannabis program in 2019. Together, these Owners have developed a deep connection to the Santee community and San Diego County overall, built over decades of public service and positions them as trusted figures to oversee how OTC interacts with and supports local residents.

As our company's footprint expands throughout California and across the nation, we remain committed to delivering the highest retail experience to our customers and working with local regulators in all of the jurisdictions where we operate to make an impact on the communities we serve. OTC's proven business tactics, data-driven product line decision-making, commitment to diversity, equity and inclusion, emphasis on public safety and health, and demonstrable community integration strategies will allow us to make an immediate impact on the community of Santee and we are confident our ownership team has the necessary qualifications to achieve this goal.



D.1.A. CANNABIS EXPERIENCE: CHIEF EXECUTIVE OFFICER (CEO) NORMAN YOUSIF

Norman's experience in the cannabis industry stems from seven (7) years spearheading local permitting, state licensing, and facility development processes for OTC's cannabis operations, which began with its first cannabis retailer in Vista, CA. In under four months of operating, OTC's Vista location built daily traffic to serve over 500 customers a day with \$28,000 in average daily sales. Today, the business processes roughly 1,000 transactions per day and generates \$20+ million in revenue on an annual basis while accruing over 1,800 customer reviews and maintains a 4.8-star rating on Weedmaps. Norman quickly optimized the Vista facility's performance to start generating revenue early on and was able to use residual income from the store and successful real estate ventures to open two additional retailers in Palm Springs and one in Winterhaven.

Norman used his increasing platform and retail presence throughout Southern California to expand his network, which helped catalyze significant growth in California's competitive cannabis industry. Norman has spearheaded roughly 400% growth of the number of businesses in the OTC family over the last four (4) years, going from five (5) operational businesses in California in early 2020 to over 20 businesses today, generating over \$100 million in annual revenue across all businesses and creating 200+ jobs that improve socioeconomic status all across California. One of the more impressive aspects of Norman's career in cannabis is the diversity of his experience. Not only has Norman developed an aptitude for retail, he has acquired vast knowledge in other areas of the supply chain and the cannabis industry overall. In San Francisco, Norman is working with equity partner Omar Flenoid, renowned University of California, Berkley chemist Erika Adre, and long-time cannabis industry veteran, Tristan Lee, to operate a cannabis microbusiness with retail, delivery, distribution, manufacturing, and infusion to add to the list of offerings in OTC's own product line. The San Francisco microbusiness' Manufacturing Department develops proprietary formulations for OTC-branded products along with white labeling for various operators. Norman has operated two of California's first consumption lounges, with one lounge opening back in 2019 as an extension of the second Palm Springs retail facility and another opening last year in the exclusive community of West Hollywood. This provided Norman with specialized cannabis experience, assisting him in refining best-in-class customer service practices along with cutting-edge facility design, odor control, and other essential business operation aspects to ensure compliance and neighborhood compatibility while hosting onsite consumption. He has gained expertise in monitoring customers for intoxication and ensuring that none of his consumption lounge patrons are over-served to promote public safety and health. This knowledge and expertise have been imparted to his retail staff at all locations, as public health and responsible use continue to be key tenets of OTC's business model.

Norman has gained experience outside of the California market as well. OTC opened a medical cannabis dispensary in Dayton, Ohio early 2024. The Ohio Medical Marijuana Control Program has some of the most rigorous regulations out of any regulated cannabis program in the nation, with stringent rules surrounding patient safety, security, employee training and other aspects of operations. In July of this year, the State of Ohio announced that they would be rolling out a recreational cannabis program and prioritizing existing medical cannabis dispensaries for Dual Use Licensing, allowing for recreational sales. Norman navigated the process of converting from strictly medical sales to recreational sales and in late July 2024, OTC's Ohio dispensary was among the first dispensaries in the state to commence recreational sales. Under the new regulations, OTC has also been afforded 10(B) licensure, allowing them to select a location for an additional dispensary given their status as an existing operator at the time of the regulations changing. Norman has diligently met all of the locational requirements for 10(B) dispensaries including overconcentration and sensitive use buffers to select an optimal location in Akron, OH and build off of OTC's exiting presence in Ohio. Norman's out-of-state operational experience perfectly complements his extensive experience in California and has provided him with different perspectives on commercial cannabis operations and allowed him to maintain a holistic approach in his business practices.

Freedom from investor expectations has allowed Norman to implement a family-owned, small-business approach to commercial cannabis, incorporating meaningful community benefits initiatives into operations and making an immediate impact on the neighborhood and greater communities in which OTC operates. OTC's family-owned and operated business mentality has informed hiring decisions and strategies as we work with local communities to elevate residents with local ties to management-level positions so we can best serve the communities in which they operate. OTC's team of employees is a true family, and this has extended to our partnerships with social equity business owners and the incorporation of equity and favorable employment practices across operational locations. By personally overseeing OTC's growth and expansion, Norman has learned every aspect of the industry and has done so in a relatively short period of time. Along the way, he has developed an outstanding track record of successfully opening and operating profitable cannabis businesses throughout California and built a legacy that continues to grow with each new business OTC opens.

SECTION D: QUALIFICATIONS OF OWNERS



D.I.B. CANNABIS EXPERIENCE: CHIEF OPERATING OFFICER (COO) DARLINE YOUSIF

Owner and COO Darline Yousif has amassed seven (7) years of cannabis experience alongside CEO Norman Yousif, and she is the backbone of OTC's day-to-day operations. Darline has significantly shaped the company's trajectory with her deep-rooted cannabis industry insight and operational acumen, distinctively advancing OTC's mission from its inception. Darline and Norman's collaboration dates back to their early career, before their ventures into cannabis operations, where Darline provided project management and administrative support for their real estate development endeavors. While Norman is OTC's visionary, Darline works constantly to bring his dreams to reality. As part-owner and co-founder of OTC, Darline has been instrumental in OTC's rise to prominence, with her oversight and implementation of successful operational strategies for all of OTC's licenses. Darline oversees core day-to-day operations for all of OTC locations including human resources, inventory management and control, accounts payable, marketing and advertising, and many other key components that keep OTC compliant and successful. Darline's operational prowess was proven early in OTC's cannabis retail ventures; in under three months of opening OTC's first store in Vista, Darline successfully increased their customer traffic to over 500 customers a day while achieving a fiercely loyal customer base through exceptional customer service, promotional offers, and OTC's customer loyalty program. She has replicated this success throughout the entirety of OTC's operations which has garnered OTC's reputation as a leading cannabis retailer throughout California and beyond.

Darline has gained incomparable cannabis industry experience spearheading inventory management SOPs and systems integration for all of OTC's cannabis businesses. In the operational build-out phase of OTC retail facilities, she oversees the onboarding of our point-of-sale and inventory management system, ensuring seamless integration with Metrc. She sets up each store's inventory management system to ensure relevant product information is processed uniformly and all employees are properly trained to effectively use our POS system and Metrc in compliance with state and local rules. During OTC's formative years, Darline beta-tested multiple POS systems such as Cova, Blaze, IndicaOnline, and Treez in search of the perfect inventory management solution. While we had initial success integrating Treez into our operations, we were unsatisfied with its versatility, Metrc integration capabilities, and customer support. After extensive research and development of a close relationship with Meadow's Head of Business Development, Ryan Bush, Darline made the leap to integrate Meadow at all OTC locations. Not only did compliant integration with Metrc, equipment compatibility, and customer support improve, she was able to harness Meadow's superior data analytics to advance OTC's financial planning and sales strategies. Darline also leads product procurement efforts, including researching, networking with, and securing partnerships with licensed distributors who carry premium and social equity brands. Her expertise guarantees that each store maintains a robust inventory and sales areas and shelves are well-organized, ensuring products are replenished promptly as supplies diminish.

Darline is also the creative director behind OTC's signature marketing and advertising initiatives, which she has achieved by leveraging aggregate sales data to craft sales strategies and increase business. She also diligently monitors Weedmaps and Leafly, strategically adjusting OTC's pricing to maintain a competitive edge and consistently beat competitor pricing. Her sales and marketing experience includes understanding the nuances and complexities of local markets based on local core values, attitudes, beliefs, and demographic composition. Darline is a critical component of transitioning our marketing strategy into new jurisdictions like Santee and making sure that we are forming campaigns that comply with local advertising regulations, prevent appealing to minors, respect local community values, drive traffic, and inform our clientele. Darline not only designs community-focused marketing campaigns that embed branding principles into OTC's aesthetic—highlighting brand elevation, merchandise, and compliant design production—she also integrates these marketing strategies into our plan check process, such as during signage development. This ensures that all marketing elements, including Signage Plans, align meticulously with both our brand vision and regulatory requirements, showcasing her thorough approach to marketing within our compliant operational framework.

Darline's experience has helped her understand local demographics and socioeconomic landscapes to implement OTC's staffing and financial plans in new communities. Cannabis business management typically involves the provision of a living wage as part of our compensation package that ensures financial security for OTC staff members, and Darline works diligently to research each community and its socioeconomic characteristics to ensure OTC meets and exceeds community needs. Darline has also worked to build diversity and inclusion into OTC's overall business strategy as part of the local entitlement process, and this begins with understanding the local demographic landscape to ensure OTC commits to a staff that is representative of local cultures and life experiences. From a financial perspective, OTC relies on Darline's expertise



to navigate the complicated regulatory field of financial management in the cannabis industry as part of the local entitlement process. OTC consistently maintains compliance with tax, licensing, payroll, banking, and all other financial regulations thanks to Darline's leadership in financial management and her understanding of the local tax requirements for gross receipts, payroll, and other financial elements that are typically entailed by the local entitlement process. Finally, Darline has familiarity with developing community benefits initiatives and figuring out ways to simultaneously support community organizations and create positive volunteering experiences and activities for OTC employees. She is excited to apply this experience in Santee, as a business owner who truly cares about the community in which she operates. Darline's contributions to our organization are irreplaceable and she is excited to establish OTC's company culture and provide guidance and development opportunities for our prospective Santee employees.

D.I.C. CANNABIS EXPERIENCE: CHIEF COMPLIANCE OFFICER (CCO) SEAN MADDOCKS

Sean has amassed seven (7) years of regulated cannabis industry experience as an attorney and consultant for licensed cannabis operators throughout California and the US. Sean is a California native, graduate of UC Berkeley and UCLA School of Law, and a well-versed attorney who has a comprehensive understanding of California's cannabis regulatory framework. Sean has gained unparalleled industry experience in representing retailers, cultivators, manufacturers, testing laboratories, equity applicants, patients, and caregivers in all aspects of California's cannabis law. Prior to his role as OTC's CCO, he founded Green Consulting Partners (GCP), a consulting firm specializing in cannabis licensing and regulatory compliance. Sean has worked with clients to obtain licensing approval for 200+ local and state licenses throughout California, Missouri, Ohio, New Mexico, Michigan, Illinois, Mississippi, and New Jersey, and is expertly versed in nuanced compliance requirements across various jurisdictions. Sean is committed to helping clients operate transparently in a way that provides tax and revenue benefits to local communities and sustainable, living wage employment to cannabis workers. In California, Sean has consulted and assisted clients in maintaining compliance for storefront retail, non-storefront retail, microbusiness, laboratory testing, cultivation, volatile manufacturing, non-volatile manufacturing, consumption lounges, and distribution licensing in 20+ cities and counties. Sean now spearheads the local and state licensing process for all OTC businesses in addition to ensuring that all renewals are processed in a timely fashion to keep state licenses current. His dedication to legal and regulatory compliance and transparency has helped OTC maintain legally compliant services and practices across current operational locations since officially joining the team.

Sean has been paramount to OTC's ability to open legally permitted locations throughout California since joining the team. Thanks to Sean's input and compliance oversight, OTC has more than quintupled its footprint in the last 5 years and has maintained a perfect compliance record throughout. Sean was the driving force behind OTC's exponential growth throughout the last two years, securing licenses in competitive processes in Artesia, Indio, Manteca, Riverside and Monterey along with licensure in compliance-based processes such as Bell Gardens and McFarland. Additionally, Sean oversaw acquisitions for OTC's businesses in Ramona, Reseda, Goleta and Perris, which had significant legal ramifications and required heightened attention to detail concerning compliance documentation. Sean also has experience working alongside Darline and our team of architects to ensure Architectural, Mechanical, Engineering, and Plumbing plans are designed to balance operational efficiency with compliance prior to being submitted to local planning departments and manages projects to ensure that site work is being conducted within the scope of those plans. Once site work is near completion, Sean schedules and conducts inspections with City officials, takes detailed notes on deficiencies and/or remediations that need to be addressed, communicates those required changes to vendors, and conducts internal inspections consistently until the business has achieved total compliance and is ready to open. Outside of his work with OTC, Sean has completed the licensing, commissioning, and inspection process for longtime client Wild Rose, a large-scale indoor cultivation facility in Santa Ana. There is a significantly heightened regulatory burden for cultivation facilities compared to retail storefronts with environmental and structural implications that are not typically applicable in retail. However, this experience has helped Sean learn more about certain aspects of overall construction for cannabis facilities regardless of license type such as electrical work and odor control equipment, which has helped OTC open businesses open more expeditiously due to Sean's input in the planning and development phase.

With Sean overseeing compliance and legal affairs, OTC's businesses can focus on other areas such as maintaining day-to-day operations, increasing revenues, investing in the community, and keeping up with facility maintenance. Sean's compliance track record speaks for itself; out of the 200+ businesses he has been involved with, none have been issued a regulatory compliance violation while under his oversight, something he deeply prides himself in. Given the opportunity, he is confident he will build upon his perfect compliance record and help OTC integrate into Santee.

SECTION D: QUALIFICATIONS OF OWNERS



D.I.D. CANNABIS EXPERIENCE: COMMUNITY ADVISOR (CA) JOE GREEN

Community Advisor Joe Green is a dedicated public servant and experienced business owner with a unique understanding of cannabis regulation within San Diego County that will greatly support OTC's operations and community engagement in Santee. With over two decades of experience in real estate, financial management, and regulatory compliance, Joe is uniquely suited to guide OTC's operations and community engagement in Santee. Since 2016, Joe has served on Vista's City Council, including time as Deputy Mayor, during which time he played a key role shaping and implementing policies that promoted the overall well-being and growth of the City of Vista. He collaborated with fellow council members and city staff to address community needs, allocate resources effectively, and ensure compliance with legal and regulatory requirements. Joe actively participated in the city's budgeting process, analyzing financial data, and making informed decisions regarding resource allocation to prioritize essential services and identify potential cost-saving opportunities. Joe demonstrated fiscal responsibility by advocating for responsible spending, prioritizing essential services, and identifying potential cost-saving opportunities. Regarding community-facing responsibilities, Joe engaged with constituents and community stakeholders to understand their concerns, needs, and priorities through the organization of community meetings, overseeing of public hearings, and attendance of events to foster open dialogue, gather feedback, and advocate for the community's best interests.

During Joe's time on Vista's City Council he worked with other councilmembers to oversee the development and implementation of Vista's commercial cannabis program, one of the first of its kind in San Diego County. Joe participated in numerous hearings to approve local ordinances that outlined operational requirements, the framework of an application process that allocated an appropriate number of licenses based on population and demographics, and gauged public opinion on the issue of commercial cannabis to ensure the Council was acting in the community's best interest throughout the process. Through his work on Vista's City Council, Joe used his position of leadership to ensure cannabis businesses not only comply with city and state regulations, but also contribute positively to the community through economic development, enhanced public safety, and meaningful community engagement. Joe's cannabis industry experience extends outside of the City Council chambers and into the facilities that he helped obtain approval for commercial cannabis operations. Since the program's implementation, Joe has made it a point to continually conduct site visits to all the licensed facilities throughout Vista and educate himself about their operations so he can effectively discuss the commercial cannabis program with constituents and fellow councilmembers. Joe has consistently demonstrated it is possible to unify community members, municipal agencies, and cannabis businesses through transparency, communication and intentional policy development. His unique perspective as a regulator, combined with his thorough understanding of civic processes and his leadership in working with community stakeholders makes him an invaluable asset to OTC as we bring our business model into Santee.

In 2023, Joe produced and starred in the documentary "The California Cannabis Corridor," which showcases the benefits of cannabis, from medical and fiscal perspectives to its social and recreational impact on the Vista community. In the film he takes viewers behind the scenes through five of Vista's most successful dispensaries, including Off The Charts, to take a deeper look at the operations, products and community contributions of these businesses. His goal was to dispel the stigma that cannabis enterprises negatively impact communities, instead highlighting how they contribute to local economies, fund public services such as law enforcement and youth prevention programs and enhance community engagement. His work on the documentary underscores his commitment to promoting and investing in transparent, responsible cannabis businesses that elevate the industry while fostering positive community engagement and growth.

In addition to his public service and media contributions, Joe is an experienced business owner, having operated Green Team Realty since 2010. In this capacity, he has developed advanced skills in sales and negotiation, financial analysis, and team leadership. His experience in analyzing market trends and investment opportunities, along with his ability to oversee real estate and financial transactions will ensure that OTC operates efficiently and remains compliant with all regulatory standards. Additionally, Joe's involvement in community advocacy and public engagement is a significant asset. Joe is recognized for his public services, receiving multiple awards such as the 2022 Congressional Recognition for Community Contributions, Vista Chamber of Commerce's 40 Under 40 Award and the Vista Unified School District Community Award of Recognition. Joe will fortify OTC's connection to Santee regulators and community members with a heightened level of transparency and integrity that is rarely seen in this industry. His longstanding relationship with OTC owners Norman and Darline Yousif further cements his connection to the company's values. Together, they share a commitment to community, inclusion, and excellence, which will enhance OTC's ongoing efforts to create a welcoming and positive presence in Santee.



D.2. CANNABIS INDUSTRY KNOWLEDGE

With 20+ operational cannabis businesses and six (6) years of operating without a single compliance violation, OTC is one of the fastest-growing and high-performing cannabis retailers in California and beyond. Despite our aggressive speed of growth, all operations yield high fiscal returns, 4.8-5-star Google and Weedmaps customer ratings, hundreds of glowing reviews for each business, and perfect compliance records throughout all operations. We attribute these impressive achievements to the foundational knowledge our core owners have developed through their combined 20+ years of professional cannabis business experience, familiarity with California's licensing framework, as well as our experience establishing cannabis operations with other local and out-of-state agencies. In Santee, we are also benefitting from the knowledge and expertise of our local partners, who offer critical insight based on their careers as regulators and public servants. Our incomparable level of industry knowledge will be a key factor in successfully integrating our model into the Santee business community.

D.2.A. CANNABIS INDUSTRY KNOWLEDGE: CEO NORMAN YOUSIF

Throughout his time in the real estate and commercial cannabis industries, Norman has gained vast knowledge of zoning laws, real estate development, lease negotiation, and license application development through his leadership in the process of developing all of OTC's operational California stores. Norman's ideal model for retail management places a heavy emphasis on location, and he begins researching communities where he intends to operate long before beginning the application process to ensure his understanding of all local requirements or entitlement and planning. Norman also looks to develop relationships with local officials and help guide policy in prospective jurisdictions to ensure that his planned operations align with community goals. OTC's flagship location in Vista is a perfect case study in his familiarity with local government processes, as he was able to meet with city officials, analyze the City's General Plan, gain an understanding of what a cannabis program may look like and vet a proposed location that met the City's preferences, all before an application process even opened in the City. Once Norman completed the application process, completed site work, and opened the business, Norman continued to collaborate with City Officials and audit the businesses' performance with respect to certain aspects such as parking compliance and neighborhood compatibility. Moreover, Norman has gained incomparable knowledge in incorporating best practices for facility design and outfitting of a cannabis retail storefront by combining his previous knowledge of commercial real estate and non-cannabis retail ownership with his knowledge of local and state regulations along with local design guidelines, while ensuring all of OTC's facilities blend with the overall community aesthetic. This aspect of retail management was especially important in the community of West Hollywood, which is concentrated with upscale retail corridors and high-end businesses in the areas surrounding the facility on Santa Monica Blvd. Norman's experience with these processes helped OTC select a compliant location that complies with the City's parking requirements and is positioned to garner significant foot and vehicle traffic without creating a public nuisance. He is an instrumental part of the plan check process to ensure the facility incorporates all of OTC's preferred aesthetic characteristics while adhering to the City's heightened design guidelines and expectations.

Norman has gained knowledge from operations in jurisdictions outside of California. Norman recently opened an Adult Use retail facility in Albuquerque, New Mexico in November 2023, and an additional Adult Use retail facility in Las Cruces, New Mexico. These join upcoming facilities in New Jersey, Michigan, and Vermont, and medical facilities in Ohio and Mississippi. Norman's medical cannabis dispensary in Dayton, Ohio opened in early 2024 and was one of the first dispensaries in the state to receive approval for adult-use sales when the state transitioned in Summer of 2024. Norman is also looking ahead to new out-of-state opportunities such as Minnesota and Maryland. This out-of-state experience has significantly enhanced Norman's adaptability and proficiency in the cannabis industry. His expansive operations across various states have not only enriched his understanding but also equipped him with a unique capacity to integrate diverse best practices and innovations nationally. This broad perspective ensures Norman's adeptness in modifying market strategies, operational protocols, and other key business components, setting a high standard for adaptability and excellence in the evolving cannabis landscape.

As Founder, CEO, and Owner of Off the Charts, Norman's industry knowledge is unrivaled in the Retail, Distribution, Lounge, and Delivery sectors. As a family-owned enterprise and one of the largest cannabis retailers in California, Norman has poured his heart into making OTC one of the most compliant and successful cannabis retailers in California. His dedication to compliance has allowed him to develop best-in-class standard operating procedures for all facilities; his commitment to staff is evidenced in adopting generous compensation and bonus packages; and his devotion to community has ensured OTC's seamless integration into all the jurisdictions in which it operates. As an Owner-operator, Norman has



benefitted from learning every aspect of the industry and along the way has developed a management team and staff that carries on his legacy and exhibits the depth of cannabis industry knowledge while implementing the industry best practices that Norman has developed through Off the Charts' genesis and expansion.

D.2.B. CANNABIS INDUSTRY KNOWLEDGE: COO DARLINE YOUSIF

Darline has gained significant cannabis industry knowledge through seven (7) years of cannabis experience as COO across all 22 OTC locations. Darline's hands-on approach has uniquely positioned OTC to understand the inner workings of the cannabis industry and to create exemplary standard operating procedures and training protocols for our employees. Darline has instilled an emphasis on customer service throughout our operations from day one, which has led to investing in robust client education materials and ensuring OTC's staff is expertly trained on the science of cannabis, including all the cannabinoids, terpenes, and flavonoids that lead to the varying effects of different strains. Darline has helped ensure that all employees are well-equipped to execute their day-to-day tasks and responsibilities to help OTC thrive. The human resources policies and procedures that she has developed far exceed the minimum requirements of local and state laws to create a company culture for OTC that instills pride in all our employees while helping them succeed in their respective roles. Darline has been the driving force behind OTC's generous compensation packages and wages, working alongside third-party Human Resources Coordinator June Jeong to reinforce compliant overtime pay to all employees who work over 8 hours a day or 40 hours a week. Due to Darline's efforts, OTC's human resources department is vigilant in its maintenance of reporting procedures and our staff is aware of their rights as outlined in our Employee Handbook. Darline's strategies for workforce development and oversight policies that incorporate and exceed federal, state, and local regulations have been instrumental in OTC's formation of industry-leading employee practices. Darline has worked to build diversity and inclusion into OTC's overall business strategy, and her experience in other jurisdictions makes her the perfect candidate to oversee labor and employment strategies in Santee. Darline also has experience in collaborating with leadership on community benefits initiatives and figuring out ways to simultaneously provide community organizations with support and create positive volunteering experiences and activities for OTC employees. She is excited to apply this experience in Santee, as a business owner who truly cares about the community in which she operates. Darline's contributions to our organization are invaluable and she is excited to establish OTC's unparalleled company culture and provide guidance and development opportunities for our prospective Santee employees.

Darline's industry knowledge extends to exercising primary oversight over all inventory management protocols, applying over seven years of experience with Metrc, Meadow POS, OnFleet, and other software programs that integrate with Metrc to develop OTC's robust inventory control platform. Her knowledge base was initially concentrated in retail, but as OTC has expanded their operational footprint into distribution, so too has her knowledge expanded into supply chain management and product handling. This includes receiving deliveries of cannabis goods, verifying manifests, maintaining adequate conditions in secure storage, arranging batch sampling and testing, conducting all inventory audits, generating inventory reports, managing electronic and physical inventory records and various other day-to-day tasks focused on inventory management and control. Darline's experience extends to troubleshooting problems in Metrc, Meadow, and Dutchie and coordinating with other staff members to resolve issues in a timely fashion. She has been instrumental in the pre-operational phase of facility design for all new locations by designing the retail floor for optimal customer traffic, interviewing and hiring new team members, altering and updating existing SOPs to maintain cohesion with the new jurisdictions, and enacting health and safety protocols for maximum consumer and employee safety. Darline has expansive knowledge of MAUCRSA, and her understanding of local and state regulations in the context of OTC's business strategy makes her a key contributor in the development of compliant SOPs that incorporate industry best practices for all of OTC's retail operations.

Finally, Darline's knowledge includes understanding the nuances and complexities of marketing and advertising in the cannabis industry. She designs product-focused marketing campaigns and is a primary contributor to inserting branding principles into OTC's overall aesthetic such as brand elevation, merchandise, design collateral and production. Darline is a critical component of transitioning marketing strategy to new jurisdictions like Santee and making sure we are forming campaigns that comply with local regulations, respect local community values, drive traffic, and inform our clientele. Darline's experience and robust cannabis and retail management knowledge are essential contributing factors to OTC's ability to maintain its commitment to the highest quality of services and offerings for its customers and patients. Beyond her contributions to the development and implementation of industry best practices, her ability to instill a familial environment amongst staff and regular customers is directly responsible for OTC's strong customer and staff retention history. Darline looks forward to applying her cannabis industry knowledge through her proven managerial and operational



skillsets to OTC's proposed Santee location. Leveraging Darline's experience will ensure OTC's unsurpassed customer service and highest quality product offerings are extended to OTC's Santee operations and the broader San Diego County.

D.2.C. CANNABIS INDUSTRY KNOWLEDGE: CCO SEAN MADDOCKS

In Sean's role as Chief Compliance Officer for OTC, he has executed compliance oversight for all 22 California locations, which has given him incomparable ability to incorporate industry best practices and State regulations into a business's compliance framework. Sean's industry knowledge and familiarity of these processes stems from executing various aspects of compliance oversight for OTC's operations, including: (1) Submitting commercial cannabis permit application packages in competitive and compliance-based jurisdictions; (2) Conducting interviews with local officials and third party consultants as part of commercial cannabis application processes; (3) Presenting at City Council hearings to confirm the awarding of permits and other aspects of the application process; (4) Developing standard operating procedures that incorporate industry best practices and evolving regulatory updates to ensure compliance at local, state, and federal levels; (5) Negotiating and managing real estate ventures to ensure compliance with local zoning and development regulations; (6) Interacting with government officials during the application, planning, development and inspection phases of projects; (7) Ensuring that all local and state permits and licenses remain current; (8) Assisting with the post-licensing project management such as vetting contractors and other vendors, construction/renovation, security installations, staffing etc.; (8) Assisting with financial management of the business such as staying current on tax payments; and (9) Ensuring operational compliance.

Through his work with OTC and other clients in California and across the United States, Sean's industry knowledge is unmatched from a compliance standpoint. Working with operators across multiple jurisdictions has provided keen insight into industry best-practices and regulatory hurdles. The exponential growth of OTC's license profile and the compliance record of these businesses is a primary example of Sean's overall knowledge of the cannabis industry. OTC has more than quintupled the number of operational businesses in its profile since Sean became the Chief Compliance Officer, and none of these businesses have experienced any sort of compliance violation, citation, administrative action, or other penalty during this period. Sean has also spearheaded SOP development for all of these businesses to maintain this compliance record and remain adaptable in an ever-changing environment. When we plan operations in new jurisdictions, Sean first reviews local regulations and how they fit into existing SOPs. He then makes necessary changes to the SOPs based on the new jurisdiction's rules and regulations. Sean may also alter SOPs based on facility design and the overall property, such as location for rendering and storing cannabis waste. Sean then consults our extensive database of guidelines, standards, and best practices from various other agencies and organizations to ensure that the activities outlined in our SOPs exceed minimum requirements. Sean executes a thorough review of the SOP manual side by side with the local regulations and the proposed plans for the new facility to ensure compliance throughout all SOPs and makes any necessary revisions to create a jurisdiction-specific SOP manual. Each SOP included in the manual records the date it was formed and the date of each subsequent version of the original SOP, so our team can track regular updates and determine the need for a comprehensive manual update, which is normally conducted annually but sometimes in shorter intervals if necessary. Sean's process for SOP development, evaluation, auditing, and updating has proven to be successful across our 20+ currently operational cannabis retailers for seven (7) years without any compliance violations and has been deemed effective by regulators in all jurisdictions in which we operate. Sean has also translated OTC's best-in-class SOPs into other states, specifically tailoring OTC's SOP manual to New Mexico's Adult Use cannabis regulations for use at our new location in Albuquerque, NM. Sean has also modified our SOP manual to incorporate best practices for medical cannabis and helped transition the business into a recreational framework as one of the first dual use dispensaries in all of Ohio beginning in July of this year. Sean has further overseen the licensing and facility development process in Absecon, New Jersey where OTC's Class 5 Adult Use Retailer could be open for business by as soon as the end of 2024.

The operational diversity of Sean's industry knowledge has also helped him craft SOPs that incorporate standards and best practices from production, distribution and retail to exceed minimum requirements of local and state law. As an attorney for three of the eight consumption lounges in West Hollywood and through his experience with OTC's Palm Springs Lounge, Sean has been at the forefront of regulatory development for these rare license types. He has worked with local municipalities, the DCC, as well as Health and Safety Departments to understand the obstacles presented by the consumption of cannabis and how best to develop an environment that is compliant while still providing unique customer experiences. Sean's work with Distribution companies has allowed him to develop best-in-class SOPs for transportation and transfer of cannabis products for OTC; his advisement of Trim Depot, one of California's highest revenue Distribution operators, has provided unique experience in maintaining compliant, safe operations for high-risk transportation and distribution



operations As mentioned above, Sean helped commission Wild Rose, a technologically advanced indoor cultivation facility in Santa Ana, which launched in mid-2022. The facility has already seen impeccable quality outcomes without any pests or microbiological contamination thanks to Sean's input in facility design and they have optimized their cultivation plan to achieve twenty-five (25) harvests of high-quality flower per year. Finally, Sean's expertise extends to working with one of only seven fully approved testing laboratories in the state of California, having helped this business with everything from the application phase through commencing operations. This diversified knowledge helps Sean understand all areas of the supply chain and incorporate knowledge of these protocols through the lens of retail to aid OTC in their SOP development, and the incorporation of industry best practices has aided him in developing OTC's existing SOPs for quality control, testing, inventory management and other elements of ongoing operations.

As a licensed attorney, Sean is a member of the Los Angeles County Bar Association (LACBA), which is one of the largest voluntary bar associations in the United States with 16,000+ members, dozens of practice sections, multiple committee opportunities, connections to affiliate bar associations in Los Angeles and around the world, and an annual budget of over \$12M. LACBA provides premier and relevant continuing legal education year-round, both online and in person. With a dedication to addressing equity and inclusion and being the conduit to underrepresented members of the legal community, LACBA is one of the first bar associations to have a Vice President for Diversity, Inclusion, and Outreach as well as an active Diversity in the Legal Profession Section. It is through LACBA that Sean has been able to significantly grow his knowledge in the legal field and apply this knowledge to commercial cannabis operations. One of the more impressive outcomes of his membership of LACBA was his participation in a Social Equity Panel for equity cannabis entrepreneurs over the last few years. Sean was on a panel with other industry professionals and presented to prospective entrepreneurs about the history of cannabis regulations in California, predatory social equity deals, fundraising, and other elements of cannabis entrepreneurship that would help attendees succeed in the industry. This was both rewarding and informative, as Sean was able to interact with some of the attendees to hear their concerns and further understand the issues that equity applicants are facing, which helped him further advise OTC on beneficial community-oriented equity strategies. Sean has provided pro-bono legal services to Social Equity individuals throughout California and through this interaction has helped develop beyond-compliant operational and legal requirements for all of OTC's social equity partnerships. Sean is also a member of the Orange County Bar Association, International Cannabis Bar Association and the California Cannabis Bar Association, which all provide supplemental knowledge to grow Sean's capabilities as an attorney.

Sean has previously worked alongside Norman and Darline to obtain licensing in highly competitive California markets and to develop best-in-class SOPs for all of their businesses. He has written all of OTC's application materials and is responsible for the development of OTC's SOPs upon licensing, which help maintain continued compliance for all of OTC's cannabis businesses. Sean's in-depth knowledge of the regulatory climate is a huge asset to OTC, which can be translated to OTC's operations and will help OTC to maintain compliant operations in Santee.

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

CEO Norman Yousif maintains a bird's eye view over the entire operation to ensure compliance and business stewardship. Norman provides overall leadership, maintains up-to-date documentation with the City and State, facilitates business development, and coordinates retail strategy across all departments. He applies his background in commercial real estate to ensure neighborhood compatibility for OTC and oversees any changes to the facility that are made throughout operations; this includes construction, renovation, and maintenance. Norman maintains current state licensing with the Department of Cannabis Control, interfaces with local officials, works with local stakeholders to implement community benefit initiatives, and identifies areas of improvement for OTC based on concrete metrics from our Headset platform. He also oversees insurance management, cash management, balance sheet analysis and all other activities that keep OTC financially healthy and continually profitable. Norman is a dynamic executive with a passion for building and leading high-performing sales teams. He has a proven ability to recruit, train, develop, coach, and mentor OTC's staff to achieve their full potential and oversees the Compliance Officer to ensure performance goals are being achieved. His expansive network of vendors helps OTC maintain a diverse product menu that is aligned with purchasing trends across the State. Norman builds trust with the local community, uncovers complex challenges and presents effective solutions to internal and external stakeholders, grows relationships with leading brands throughout California, and drives top-line revenue. Norman frequently dedicates time to working directly in OTC's various store locations. His willingness to lead by example and convey expectations through actions are a unique asset to OTC's day-to-day operations.



COO Darline Yousif coordinates with leadership to implement OTC's retail strategy and is continually looking for ways to expand OTC's collective cannabis industry knowledge and expertise. Darline provides data and observations of sales trends to the Inventory and Purchasing Team to guide procurement strategies and ensure OTC's product menu features are current and diverse. She regularly collaborates with leadership on ways to improve sales through the design and layout of the retail floor, displays, discounts, storage mechanisms, and much more. Additionally, Darline is focused on building out a great experience for our employees from the interview process to their first annual review and beyond. She has collaborated with leadership and our human resources partners, eqHR to build out OTC's human resources platform, hiring process, onboarding and offboarding procedures, payroll, and benefits program. Her day-to-day involvement includes inventory management and making sure all inventory management systems are running smoothly and efficiently through the use of technology and feedback from the team. Darline also focuses on creating and maintaining a great work environment, which includes a beautiful working space and employee break room to strengthen our team's unity and overall company culture.

CCO Sean Maddocks stays current on all local and state licensing and helps OTC develop, implement, and audit organization-wide SOPs to ensure compliance and exceed the minimum requirements of local and state regulations. Sean also has oversight on all legal matters for OTC and ensures that all contracts and agreements are made on terms that benefit OTC. He conducts all inspections and is the primary point of contact for City Officials for anything outside of the Community Relations Officer and Security Representative's scope. His day-to-day oversight of compliance with local regulations, state laws, occupational safety and health laws, track and trace, taxes, and various other regulatory compliance matters ensures OTC can focus their efforts towards other areas such as managing daily operations, increasing efficiency, building revenue, and keeping up with facility maintenance.

CRO Loren Krumweide's experience as a Fire Protection Engineer in the Santee Fire Department perfectly align with his day-to-day responsibilities as the Community Relations Officer. Loren is available 24 hours a day, 7 days a week as the Community Liaison for local residents to submit complaints, voice concerns or obtain more information about OTC's operation in Santee. He is the link between OTC, the community and the local government, and meets with government officials on a regular basis to discuss costs, benefits, mechanisms for improvement and other aspects of the business. He also works with other executive team members to drive sales and marketing initiatives and ensure that OTC is well positioned to serve the local cannabis consumer market. Finally, Loren is a key contributor to the implementation of both our Security Plan and our Neighborhood Compatibility. Loren will help guide strategies for effective operation of our fire prevention and suppression equipment, assist with regular maintenance of the equipment, and audit the performance of our fire safety protocols in order to maximize overall public safety. Loren will also help us effectively implement our Good Neighbor Policy, thus helping ensure we are being responsible business owners and contributing to positive community outcomes.

Community Advisor Joe Green is a local leader with respect to government affairs and engagement, having previously held a position in the Vista City Council. Joe's understanding of the local landscape helps OTC maintain a staff of local residents and enact ongoing community engagement initiatives that best meet the needs of the community. He also aids in the coordination events and other activities between OTC and local organizations in addition to brainstorming for new ways for OTC to further engage the community. Joe also participates in regular meetings with the City Manager and other relevant City officials or stakeholders to discuss OTC's operation and applies his unique perspective to ensure that our performance meets the standards of the City and the community. His background as an elected official and public servant helps OTC understand how their community engagement strategies can be the most impactful and also helps audit our performance over time to ensure the effectiveness of our community engagement strategies..

Community Advisor Randy Burgess applies over three decades of experience as a San Diego Police Officer to guide the implementation and auditing of our Security Plan. He collaborates with Armortech Security and Bay Alarm to ensure that all systems and equipment designed for maximum coverage and effectiveness. He advises on and participates in employee security training, interacts with security personnel to ensure they are upholding their duties and assists with any other security-related matter. Randy also helps assess community investment and neighborhood compatibility strategy given his residence in Santee.



SECTION E: NEIGHBORHOOD COMPATIBILITY PLAN

OTC implements comprehensive nuisance mitigation policies, protocols, and design features to ensure that our neighbors and the surrounding community do not experience any adverse impacts stemming from our operations. We understand the sensitive nature of commercial cannabis and the need for discretion for the greater community, and we intend to build connections in the community and facilitate an open dialogue with residents regarding our operations within Santee. OTC's mission is to provide an education-oriented retail experience geared towards fostering awareness of the wellness-enhancing properties and responsible usage of cannabis, as well as stringent control over the products we offer. We strive to integrate our store into the community versus having the community adapt to our store's presence. Community safety and responsible business practices should be prioritized over profits and longevity over short-term success, and our team has first-hand experience assimilating a cannabis business into new neighborhoods. We are aware that residents may have concerns that the business will negatively impact their community, and we have thus developed our Good Neighbor Policy, which incorporates the following plans to ingratiate ourselves with our new neighbors while meeting and exceeding all operational requirements promulgated by the Santee Municipal Code (SMC) and the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA).

E.1. PROACTIVE NEIGHBORHOOD ENGAGEMENT

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

E.1.A. PREVENTING NUISANCES AND NEGATIVE IMPACT

Santee is known for its sunny climate, good schools, and small-town friendliness, and we are very fortunate to have the opportunity to integrate our business model into an established business community. To cement our commitment to bolstering the City's financial health, public safety, and overall civic success, we have undertaken various initiatives to integrate with the Santee community and ensure that we are prepared to offer the best possible contributions to the local business landscape and the community overall. We have developed numerous strategies for community outreach across the 20+ different jurisdictions in which we operate, especially in nearby communities like Vista and Lemon Grove whose demographics, attitudes and beliefs have some commonality with those of Santee. While each jurisdiction is unique regarding core values, beliefs, and attitudes, we are intimately familiar with the requirements of being a good neighbor and a positive contributor to public safety, health, and welfare, given the sensitive nature of our business. Below are some of the strategies that we have implemented elsewhere and plan to implement in Santee to get to know the community, understand the community's needs, and specifically tailor our Neighborhood Compatibility Plan to ensure continuous and sustained growth in Santee:

Good Neighbor Policy: As referenced throughout this plan, our Good Neighbor Policy comprises the foundation of our Neighborhood Compatibility Plan. The Good Neighbor Policy outlines a series of core principles that guide our strategies for preventing nuisance and negative impact in the community. While they may vary for each community based on local values, we typically ensure that the Good Neighbor Policy is framed around: (1) Commitment to Safety and Harmony; (2) Building Relationships in the Community; (3) Ownership and Management Accountability; (4) Maintaining Discretion in our Operations; and (5) Supporting the Local Economy. Each of these overall core principles is then delineated into a series of specific strategies that we implement, many of which are described below in **E.1.B. Proactive Complaint Reaction and Resolution**. The Good Neighbor Policy is physical document that is posted in our Lobby and on the Retail Floor to demonstrate our commitment to this important aspect of commercial cannabis operations. The Good Neighbor Policy is also



included in our Employee Handbook and we allocate a specific employee training module to the Good Neighbor Policy to ensure all employees understand their responsibilities for helping OTC be a good neighbor. Any violation of Good Neighbor Policy statutes, such as onsite consumption by an employee during their break, is grounds for termination. We audit the Good Neighbor Policy annually but also conduct a Corrective Action Preventive Action (CAPA) investigation for any violations of the Good Neighbor Policy in real time.

Community Support Team: The successful implementation of our Good Neighbor Policy and overall Neighborhood Compatibility Plan depends on accountability of ownership and management. We have thus developed a Community Support Team as part of our overall staffing hierarchy that designates certain neighborhood compatibility-related responsibilities to certain individuals. We have appointed local resident and 30+ year career Fire Protection Engineer Loren Krumweide as Community Relations Officer (CRO) for the City of Santee. Loren has recently retired after spending nearly 40 years as a Fire Protection Engineer in the City of Santee. As a public servant working to protect public safety and health in Santee for almost four decades, Loren's experience in keeping the local community safe is unparalleled and he will be critical to the effective implementation of our Neighborhood Compatibility Plan. As the CRO, Loren is available via phone, email, or in person 24 hours a day, seven days a week, for citizens to voice their concerns regarding our operations. Loren's contact information is provided to all neighbors within 500' of the facility and is conspicuously posted in visible font size on the main entry doors to our premises. Management also provides any complainants or inquirers with the Loren's contact information upon request. OTC ensures the CRO's contact information is accessible on our website, marketing material, and technology platforms. If at any point we designate a different individual as the new Community Relations Contact, we will provide the new contact information to the City Manager within 48 hours of the designation. Community Advisor Randy Burgess is available to support CRO Loren Krumweide in any capacity relating to our Neighborhood Compatibility Plan. As a Santee resident of 35 years and a decorated police officer in the San Diego Police Department for the last 30 years, Randy is the perfect complement to Loren's experience to form a community-facing outreach team with a background in Serving the Community that prevents negative impact to the community. In addition to the CRO's duties, a designated manager is always available during business hours to support the CRO, monitor employee performance in terms of Good Neighbor Policy Adherence, ensure patron conduct does not create a public nuisance and maintain compliance throughout all facility operations.

OTC Open House: OTC hosts an Open House for every new business we open. The primary function of the Open House is to get to know our neighbors, community members, regulators, local business owners, and all the people who have helped make Santee the highly regarded community it has become. We provide a tour of the facility and the overall property, walk attendees through all of the neighborhood compatibility strategies listed in this plan, and solicit feedback regarding the community's concerns about our operations and how we can best fit into the local landscape. The Open House has proven to be an excellent conduit for forging strong relationships with our community members in all jurisdictions we operate in.

Industry Experience and Ownership Accountability: Perhaps the most critical aspect of our ability to avoid becoming a nuisance or having negative impacts on our neighbors and the surrounding community in Santee is our track record of community integration across our 20+ operational locations. Some of OTC's facilities require a heightened level of diligence in neighborhood compatibility, such as our consumption lounges in Palm Springs and West Hollywood that are subject to more cumbersome odor control and mitigation requirements, or our flagship location Vista that can see over 2,000 customers daily (2.38 customers/minute) during periods of high traffic. In operating these facilities, we have never received a complaint or compliance violation from any local resident or government agency, which is a testament to the effectiveness of our neighborhood compatibility measures. However, we never get complacent and still strive to improve our operations to prevent negative impacts at all costs. Through the development and operation of these vastly different locations, we have gained substantial experience while learning that communication and transparency are the most important aspects of preventing negative impacts. The CRO is on the front lines of community support, but our husband-and-wife owners Norman and Darline Yousif get involved if warranted regarding a critical incident or serious concern, and they hold themselves accountable as upstanding business owners rather than deflecting responsibility and claiming to be infallible.

E.1.B. PROACTIVE COMPLAINT REACTION AND RESOLUTION

Our first steps towards addressing and responding to complaints involve community outreach to understand local beliefs and concerns about our operations. This begins prior to and continues throughout the permitting process, which allows us to communicate directly with the city and engaged citizens to address any concerns prior to opening the business.



Community-facing events like our Open House, Cannabis Selection Committee Interviews, City Council hearings and other events help us further understand community values and how to implement a Neighborhood Compatibility Plan that upholds these values and focuses on prevention of adverse community impacts. Our experience is that the community's most concerned and conscientious members make their concerns heard during this process; OTC prides itself in collaborating with concerned community members to adapt our proposed plans to best acclimate to the surrounding community.

Upon commencement of operations, OTC handles complaints regarding noise, light, odor, vehicle, and pedestrian traffic immediately through the Community Relations Officer (CRO), the facility's direct link to the community. We send an Introductory Letter along with a "Frequently Asked Questions" document about what we are doing to mitigate negative impacts to the local community and other aspects of how we run our business to all neighbors within 500' of the facility, which is five (5) times the requirement of 100' promulgated by SMC § 7.04.460(A). We include the CRO's phone number, email and other applicable contact information in the Introductory Letter and instruct our neighbors to contact the CRO with any concerns or if they experience any issues related to our operations. The CRO's contact information is also posted at the facility and made available to anyone who accesses the premises. The CRO attends relevant City and community meetings and acts as the facility's voice in the community. They participate in neighborhood committees and work with neighbors to avoid potential problems. They also take part in quarterly meetings with the City Manager and any interested parties to discuss costs, benefits, and concerns of the community. We provide the CRO's contact information to law enforcement, and they maintain open lines of communication with city administrators, media, and concerned citizens to handle OTC's community affairs. They spearhead OTC's community outreach and coordinate participation in community events and charitable efforts. The CRO represents the facility at industry conventions and educational seminars. The CRO works with the facility to ensure operations correspond to the adopted ethos of OTC as a good neighbor to the community and a value-added partner to the city. The CRO also keeps detailed logs of citizen and community feedback concerning operations to ensure OTC's position as a valued community member.

Addressing Specific Complaints: We have identified risk factors such as noise, light, odor, loitering, littering, public consumption, vehicle, and pedestrian traffic and other derivatives of public nuisance and have developed a series of preventive measures that deter the occurrence of these adverse public nuisance events. Any occurrence that triggers a complaint is documented as a non-conformance of our Good Neighbor Policy. We conduct investigations to determine how preventive actions failed, and we correct future measures to prevent future complaints. Potential risk factors for negative community impact and our respective strategies to mitigate these nuisance sources are described below:

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

Light: We implement a Lighting Plan that balances perimeter security with neighborhood compatibility to illuminate our premises, detect security threats, and prevent light pollution that could trigger a complaint by one or more neighbors. We work with our designers and engineers to develop a photometric plan that ensures sustained security lighting while limiting footcandle or lumen impact on the surrounding area. Daily inspection procedures include inspections for burnt-out bulbs and lighting deficiencies in the parking lot, paths of travel, and building entrances to ensure that these areas are illuminated



during all hours of darkness and that there are no flickering bulbs that could cause light pollution. We then confirm that lights are directed downward with the capability of providing the average horizontal illumination of one-foot candle. Our interior and exterior lighting scheme is designed to mitigate light pollution on our surrounding neighbors while facilitating safety and security on the premises during operational and non-operational hours. Daily inspections help us uphold these facility maintenance standards and design principles. For further details, please see **C.5.A. Perimeter Security: Exterior Lighting** within **SECTION C: SECURITY PLAN**.

Odor: We proactively address odor by implementing an Odor Control Plan (OCP) that includes outfitting the facility with odor control equipment, upholding a prohibition of onsite consumption of cannabis, alcohol, and tobacco, executing regular maintenance activities that exceed minimum requirements of manufacturers or ANSI standards and other cultural controls to prevent the drift of cannabis odors offsite. OTC works with a certified industrial hygienist to implement an OCP that incorporates industry-best practices, such as Merv-13 activated carbon filters built into a negatively pressurized environment through our HVAC system. We incorporate odor-scrubbing vegetation such as the golden pathos and living walls with eucalyptus, which further aid our ability to scrub volatile organic compounds from the facility. Our progressive OCP and partnership with an industrial hygienist have allowed us to design OCPs at all OTC facilities, including our consumption lounge, that have never received an odor complaint.

Vehicle and Pedestrian Traffic (Parking Problems): We have identified risk factors for delivery vehicles, customer vehicles, third-party vendor vehicles, and pedestrians that may result in neighborhood compatibility non-conformance and subsequent security threats. Our commercial vehicle storage and incoming shipments occur within Dispatch/Delivery on the Western side of the building do not interfere with traffic on Mission Gorge Road or with neighboring businesses. Security personnel patrol the parking lot to ensure customers are not inhibiting traffic for neighboring business' vehicles, commercial vehicles or pedestrian traffic. We will allocate one Security Guard as a Parking Attendant during high traffic hours of operation to ensure there are no parking problems and to direct patrons to and from spots to avoid congestion and traffic accidents within the parking lot. The parking entrance for vehicle ingress and egress on Big Rock Rd offers a safe pathway to the premises, preventing traffic-related incompatibility issues. We coordinate incoming or outgoing shipments of cannabis goods, equipment, and non-cannabis business materials when customer traffic is expected to be the lowest to avoid excessive vehicle traffic. We proactively address delivery-related vehicle traffic by coordinating delivery schedules ahead of time and always secure incoming deliveries in the restricted area of the parking lot. Security personnel observe all customers exiting the facility as they leave the premises to either their vehicle or a public transportation stop. They ensure that all pedestrians use sidewalks, adhering to proper rights of way, and that no loitering occurs. Security personnel monitor the parking lot and the off-street parking areas within 50 feet of the premises and adjacent properties to ensure these areas are cleared of employees and their vehicles one half hour after closing. We prevent impaired driving and customer behavior that could lead to excessive traffic, accidents, or other traffic concerns. Signage is prominently posted to inform customers of the potential for cannabis to impair drivers.

Robbery, Attempted Robbery, and Theft: Our facility features various systems and protocols to prevent robbery, attempted robbery, and theft. Our alarm and remote monitoring system is installed and managed by the Bay Alarm Company and features intrusion detection, ceiling-mounted motion detection, wall-mounted motion detection, strobe/horns, and various other systems that transmit notifications to the Bay Alarm Company and law enforcement immediately upon being triggered, regardless if it occurs during operational or non-operational hours. Bollards are affixed in various places throughout all sides of the building to prevent robbery through vehicular intrusion, which has been an increasingly common method throughout California in recent months. Video surveillance also captures footage within 50' of the building at a minimum and is regularly viewed to detect patterns in certain individuals entering or remaining about the premises. Security personnel also conduct roving patrols of the facility regularly to observe individuals that may be casing the facility in preparation for a robbery; any individuals who are regularly present on the property but are not related to our business' activity are immediately confronted and asked to leave the premises if they are not related to the operation. Burglary training provided to staff is designed to eliminate direct conflict with suspects, making various mental notes and observations while facilitating rapid suspect departure. Mental notes include descriptive features and distinguishing marks on the suspect(s), including clothing, hair color, eye color, scars, tattoos, etc. Staff is trained to handle high-stress situations by prioritizing staff and customer safety over money and merchandise. Employees are shown locations of silent alarms and panic buttons but are always instructed to comply with demands and alert robbers/burglars of potential escalation factors. OTC employs a no-chase policy and trains staff to enforce minimum contact protocol with robbers. Robbery management training aims to

SECTION E: NEIGHBORHOOD COMPATIBILITY PLAN



teach de-escalation techniques and emphasize customer and staff safety. Staff must remain as calm as possible – refraining from spreading panic and following directions as swiftly as possible. Crime scene preservation (such as items, entryways, and control systems accessed and utilized by suspects), cooperation with law enforcement, alarm activation, and maintaining confidentiality of occurrences are additional training concepts. Such protocols are in effect to protect staff, security, and the general public from harm, including bodily injury or death. In addition to training for security and safety, all staff completes the following courses: FEMA IS-906: Workplace Security Awareness, FEMA IS-907: Active Shooter, and FEMA IS-912: Retail Security Awareness. Management also completes FEMA IS-37.19: Managerial Safety and Health. OTC's burglary and robbery protocols focus on protecting assets, preventing unauthorized entry, and deterring crime from the outset. All OTC employees are trained to deter these crimes and respond during the commission of these crimes to maximize safety.

Vandalism and Graffiti: Vandalism, including graffiti, property damage, and other activities that can compromise our facility's aesthetics or functionality, are strictly prohibited. We take a multimodal proactive approach to ensure our property and associated areas, parking lots, sidewalks, and alleys are maintained in an attractive condition and kept free of obstruction, trash, litter, debris, and graffiti at all times. First, we treat our building's exterior with a siloxane-based anti-graffiti coating, a protective barrier that not only resists paint but also allows for easy removal of graffiti without damaging the underlying surface. This treatment enhances the building's resilience against vandalism, preserving the aesthetic integrity of the structure over time. We also implement daily exterior inspections including a property-wide search for graffiti and property damage at least twice daily and immediately after receiving a complaint. Daily exterior inspection protocols for graffiti include observing all surfaces on our facility and neighboring structures to detect any graffiti or derogatory markings. The parking lot and the walls and sidewalk along Big Rock Road have been identified as high-risk areas for graffiti, vandalism and trash accumulation and are the primary focus of our daily exterior inspections. Any evidence of vandalism is immediately photographed for our internal records, reported to the San Diego County Sheriff's Department (SDCS), and remedied as needed, such as painting over graffiti on the building and replacing any damaged elements on the property. Our video surveillance system functions 24 hours a day, seven days a week, and has sufficient clarity to capture any perpetrators who have committed vandalism; any footage of enacted or attempted vandalism is immediately provided to SDCS upon discovery. Security personnel are stationed overnight to patrol the property and prevent vandalism unless we determine the an alternate arrangement other than 24-hour in-person monitoring.

Litter and Urban Blight: The property is located near two busy shopping centers and has the potential for high foot traffic considering its proximity to the MTS bus stop across the street. This presents a heightened risk for litter and urban blight due to the nature of the business and the surrounding area. Our vigilant management, staff, and security personnel are thoroughly trained to proactively identify and promptly address any refuse in this area, as well as throughout our property and adjacent properties. We are particularly vigilant in promptly removing items that could tarnish the community's perception of our industry, such as discarded cannabis packaging and containers from alcohol or tobacco products. This meticulous approach to maintaining cleanliness not only embodies our dedication to corporate responsibility, but also reinforces our role as an active participant in safeguarding the local environment from pollution and neglect.

Loitering: Our policies for neighborhood compatibility prevent individuals from delaying or lingering on the premises without a lawful purpose if they are not conducting any activity relating to our daily operations. Security personnel patrolling the facility's exterior are trained to detect and monitor individuals who are delaying or loitering and posing a threat to neighbors and the surrounding community within at least 100' of the facility; this includes constant observation of the facility perimeter for groups larger than two individuals. The rear parking lot, the sidewalk on Mission Gorge Rd, and the storefronts of neighboring businesses within a 100' radius are areas of heightened priority for security personnel to prevent loitering. We also integrate advanced "mosquito" technology around our premises. By emitting a specialized high-frequency sound, which is only detectable to individuals approximately 25 years and younger, unauthorized gatherings are subtly deterred, significantly enhancing the safety and tranquility of the surrounding community without any discomfort. We post appropriate signage at multiple points throughout the facility exterior to reinforce that loitering, vandalism, and criminal activity are not permitted. Signage reinforces this prohibition by communicating that loitering, cannabis consumption, or any other activity that could lead to a disturbance on the premises is never allowed. Our daily inspection of the facility exterior includes confirmation that signage is intact and legible, so loitering prohibitions are consistently enforced. These measures alleviate loitering and delaying concerns that may contribute to accumulating trash, graffiti, or other public nuisances on our facility's exterior.



Transient activity: Transient activity and homelessness are ongoing issues in San Diego County. In 2023, homelessness increased by at least 25.9% in the county and 58% in the city of Santee according to the Regional Task Force on Homelessness. Our neighborhood compatibility plan aims to address this trend by ensuring our staff and security personnel promptly and effectively handle any transient activity or signs of homelessness that may occur on or surrounding our premises. Our security personnel are trained to patrol the property and detect transient individuals attempting to settle on the property. Transient activity can often be confused with loitering, with a primary distinction being the presence of materials that could constitute the attempted development of a temporary residence, such as a tent, shopping cart, and other materials. Security personnel patrolling the property must report the presence of these items and any other occurrences that could lead to transient activity and temporary settlements in or around the premises to management and the SDCS and the Santee Fire Department (SFD), who can be dispatched to investigate the matter further. While OTC is committed to preventing the occurrence of public nuisances related to these individuals, we empathize with San Diego County's transient and unhoused population. We are in conversation with the nonprofit East County Transitional Living Center (ECTLC), which assists individuals in San Diego County who need emergency housing. We will ensure that the local transient and homeless community has access to resources by donating to ECTLC and supporting their established programs that provide emergency shelter, food services, youth services, education opportunities, and employment training.

Possible Narcotic Activity: Narcotic activity is an immense threat to our daily operations, and we have a zero-tolerance policy for any narcotic activity occurring on or around our premises. Security personnel are trained to detect the signs of narcotic activity, which could include but are not limited to the presence of small plastic bags strewn about the property, gatherings of two or more individuals who appear to be negotiating, unusual vehicles parked alongside each other, individuals who are loitering and making numerous phone calls, and various other indicators of possible narcotic activity. Any detection of suspected narcotic activity is immediately reported to the SDCS, and we provide any recordings of suspected narcotic activity during non-operational hours to the SDCS upon request. Any discovered narcotic waste will be reported to the police and, if necessary, picked up and disposed of in accordance with biohazardous waste procedures.

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

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

Social Media Monitoring: Using social media as a tool to monitor and respond to complaints is essential for maintaining customer and community satisfaction and safeguarding our brand's reputation as a corporate citizen in the City of Santee. We first set up social media monitoring tools like Hootsuite, Sprout Social, or Mention to keep tabs on real-time brand mentions across various social networks. Monitoring direct mentions of our brand and relevant hashtags, product names, and common misspellings is essential to capture the full spectrum of customer and community sentiment. Social Media platforms to be monitored include Instagram, Facebook, Tik Tok and X (formerly Twitter). Next, we implement our social media response plan, which involves clear and streamlined guidelines for responding to customer feedback, including setting a tone of voice, response time targets, and escalation paths for more serious issues. We train employees to ensure they are equipped with customer service and crisis management skills, enabling them to engage with customers effectively and



empathetically. We respond promptly to complaints to show that feedback is valued. We also analyze customer feedback for insights, tracking sentiment over time to identify possible complaint trends, which can inform product improvements, service enhancements, and community engagement. Moreover, by turning complaints into opportunities to demonstrate our commitment to customers and the community, we can build a stronger, more positive reputation that embodies trust and compassion.

E.2. YOUTH PROTECTION PLAN

Protecting Santee's youth population from exposure to cannabis, preventing their access to cannabis, and fully recognizing the community's high regard for its educational system and youth development initiatives are all core tenets of our Good Neighbor Policy and Neighborhood Compatibility Plan. This drives our commitment to responsibly manage our operations, ensuring that our presence in Santee aligns with the collective aspiration to foster a safe and supportive environment for the growth and learning of young individuals. We implement carefully thought-out and tested youth prevention actions from our planning phase to daily operations to ensure clear cultural and physical boundaries between our cannabis retail activity and Santee youth and schools. The overall location is strategically located away from any buildings or stores that cater to youth to prevent any youth exposure and avoid any potential negative feedback associated with sensitive-use locations. To further mitigate issues of youth exposure, OTC has developed a comprehensive strategy to proactively protect youth from the impacts of exposure to cannabis and maintain maximum discretion throughout operations. Our strategy includes a heavy focus on perimeter security bolstered by personnel from ArmorTech Security, detail-oriented check-in and client verification procedures, and limited and tactful exterior signage. Our strategy has been proven to be effective in our 22 other licensed cannabis retail businesses throughout California and beyond. We have scouted the immediate neighborhood surrounding our proposed location at 8069 Mission Gorge Rd to identify and mitigate any impacts the location may have on Santee's youth. While our proposed location complies with all zoning buffers established by the City, we believe every location requires a heightened approach to public safety and youth protection. Accordingly, we have developed an overall Youth Protection Plan to prevent youth exposure to cannabis and provide parents and the overall community with a sense of comfort that Santee youth are insulated from our commercial cannabis operations. The Youth Protection Plan includes the following proactive protection components:

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

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

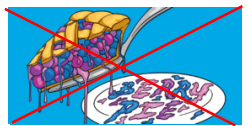
Perimeter Security: Our Youth Protection Plan prevents loitering by individuals of all age groups. Security Guards conduct roving exterior patrols to reinforce perimeter security and uphold the commitments to preventing public disturbance outlined above. Roving Guards deter public nuisances and threats such as excessive noise, litter, graffiti, crowds, urban blight, and any other criminal activity that occurs within proximity to our business operations, with specific observations of these individuals' general ages in an effort to detect youth about the facility's exterior. Security personnel patrolling the facility's exterior are trained to detect and monitor individuals loitering or behaving in ways that could attract youth passing by the facility. This includes customers who have recently left the facility and are gathering by their vehicles or adjacent streets. Security personnel instruct these individuals that they cannot remain on the premises and reinforce our cannabis



consumption prohibition if they are attempting to use products they have just purchased. We also incorporate “mosquitos” around our premises, which emit a specialized high-frequency sound only detectable to individuals approximately 25 years and younger, providing loitering prevention targeted specifically for youth.

Identification Verification: We station Security Personnel at the entrance of the facility who work with Cannabis Specialists who have been designated as Verification Specialists to check customers into the facility. Verification Specialists and security personnel are well-versed in spotting false identification and confirming the validity and identification of customers before allowing them to enter. Security personnel are responsible for de-escalating situations where a minor has attempted to enter the facility with false identification and contacting law enforcement to determine the proper course of action. The presence of security personnel combined with rigorous check-in procedures ensure only qualified individuals gain access to the facility. By being subjected to ID verification upon entrance, at check-in, and upon checkout, **OTC staff triple verify all customers** to ensure no underage individuals or individuals with false ID can access the facility or purchase product.

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



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

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

E.2.A. PUBLIC HEALTH OUTREACH STRATEGIES

As part of our effort to educate the public about youth consumption prohibitions and the risks of youth addiction to cannabis, we developed a Public Outreach and Education Program (POEP) for youth organizations and educational institutions in each community we operate. The program takes a multi-faceted scientific and sociological approach to this sensitive topic. We combine simple principles of biology and mental health to explain addiction and how cannabis impacts the young brain and body while acknowledging the social implications of drug use, such as peer pressure, social withdrawal, etc. The human brain is not considered fully developed until the age of 25, even though it is legal to consume cannabis at age 21, so we have outlined educational outreach efforts for youth of all ages to ensure they know the risks of cannabis use even if they are legally allowed to consume. This program is developed in coordination with local school officials and leaders of youth organizations to ensure outreach and educational materials are directly correlated to the local youth population’s needs and attitudes. Some of these educational materials are distributed in our store along with their placed orders when customers make a purchase. At the same time, other materials are distributed to school officials and leaders of youth organizations to use and pass along to local families. We hope to use this program to contribute to Santee’s public health outcomes for the youth population, using education and transparency to inform and protect Santee’s young community members. The POEP is comprised of the following core strategies: (1) Develop consumer education to ensure parents and other members of



society understand the risks of youth cannabis use and can aid our efforts to keep cannabis out of the hands of youth; (2) Collaborate with local school and government officials to disseminate educational materials, audit the effectiveness of educational materials and update/provide new materials as necessary; (3) Collaborate with non-profit organizations such as the California Department of Public Health (CDPH) Youth Cannabis Prevention Initiative, D.A.R.E. and other local organizations to provide support resources to youth and ensure any education efforts made by other organizations are rooted in accurate data and scientific principles; (4) Implement a Youth Protection Plan at our facility that has proven to prevent youth access and exposure to cannabis at all OTC facilities; and (5) Conduct regular community outreach to hear community member concerns on youth cannabis use and OTC's role in prevention.

Community Outreach: We value communication with the local community and regularly connect with community members and officials. This starts during the application phase of the overall process. We send introductory letters to all neighboring businesses and residences within 500' of the facility. We also send flyers inviting community members to our OTC Open House and Grand Opening. We plan to reach out to the local Parent Teacher Association (PTA) at Chet F Harritt School, Carlton Oaks School, Pride Academy, and any other relevant educational institutions to hear concerns and form a collaborative relationship to improve our Youth Protection Plan. These meetings occur quarterly. We also check in with our neighbors regarding our performance in neighborhood compatibility, youth protection, and public safety. We provide surveys with targeted questions for neighbors to evaluate the implementation of our Good Neighbor Policy and Public Health Outreach Program, with a comment sections where neighbors can highlight any additional concerns. The Community Relations Officer and other members of ownership and management evaluate these surveys, contact neighbors with additional concerns, and form a plan to mitigate these issues. We believe that maintaining our role as a good neighbor and responsible member of the local business community is an important performance indicator for our operation, and we hold ourselves to extremely high standards for community outreach regarding youth protection and prevention.

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

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

SAY San Diego: Founded in 1971, Social Advocates for Youth (SAY) San Diego is a youth advocacy agency encompassing over 30 programs that strengthen the whole child, the whole family, and the whole community. SAY engages the San Diego community to work collaboratively and partners with organizations such as schools, community coalitions, and local government to create positive change. OTC plans to work directly with SAY's Alcohol, Tobacco & Other Drug Prevention Program (ATOD), which is designed to provide substance abuse knowledge and support to those in need. This program includes key partners that mobilize residents and community partners to influence policy, provide technical assistance, facilitate community and parent presentations, and encourage youth-led projects to raise awareness of substance abuse issues, such as (1) the Central Region Prevention Coalition (CRPC); (2) Promise Neighborhood - Barrio Logan; and (3) the North City Prevention Coalition (NCPC). By collaborating with SAY San Diego and its ATOD program, OTC hopes to support established local youth prevention strategies, contributing to the overall health and well-being of Santee's younger residents.

San Diego County Sheriff Respect Project (SDCSR): This program is a character-building and mentoring program designed for youth in grades 8-12. Developed in 2014 by deputies from the San Diego County Sheriff Department San Marcos station. SDCSRP students are placed in a 10-week introductory program followed by continuous mentoring and support services. Deputies hope to reduce juvenile delinquency, lower recidivism, and offer alternatives to street gangs, substance abuse, and a life trapped in the criminal justice system. In early



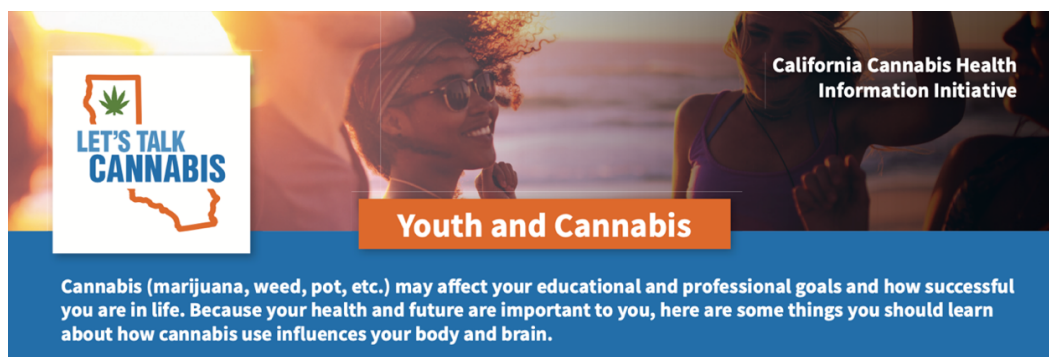


2021, the SDCS completed renovations on the RESPECT Project's headquarters in San Marcos. The new facility, complete with games, fitness equipment and a recording studio, allows staff to offer daily programming and support in a safe atmosphere. OTC's envisioned collaboration with SDCSR primarily involves the implementation of drug prevention strategies and materials that SDCS deputies use with their youth as these have been proven to be effective when used in this mentoring program. The San Marcos headquarters for this program is about 30 min North in San Marcos, which may be an unreasonable commute for Santee residents. However, OTC plans to sponsor youth participants for this program, providing transportation costs and supporting them and their families with anything else they may need to participate in SDCSR. Community Advisor Randy Burgess will be a liaison to SDCSR given his tenured career in law enforcement and his ability to understand the nuances of such a program. Our envisioned partnership with the San Diego County Sheriff's Department plans to extend past collaboration with respect to our Security Plan and into youth protection to educate Santee's youth and prevent cannabis use in the community's youth population.

STAR/PAL: STAR/PAL is a not-for-profit organization devoted to removing those obstacles to help San Diego's young people thrive. Law enforcement personnel work through STAR/PAL as volunteers to forge mentorships, friendships, and lifelong support networks for San Diego's youth. Community Advisor Randy Burgess has volunteered in this program during his time with the San Diego Police Department and is familiar with the resources available in this program that may be relevant for the youth protection element of our Neighborhood Compatibility Plan.

D.A.R.E.: D.A.R.E. was founded in 1983 as an extension of youth education on risky behaviors such as drugs and alcohol, which was already being taught in schools nationwide. Today, D.A.R.E. has grown into a massive network of non-profit organizations, teachers, and other stakeholders that educates school children and faculty about the dangers of drug and alcohol use through events, presentations, written materials, and other media. D.A.R.E. has a California chapter that is one of the organization's oldest in the nation. OTC plans to form a partnership with D.A.R.E. to provide youth resources through counseling and outreach. Concerned parents can contact us via phone, email, or in-person to link their child with a D.A.R.E. representative, who may be able to help the child directly or link them to more concrete healthcare, counseling, or other resources. We are also hoping to collaborate with the California D.A.R.E. chapter to audit the effectiveness of our youth prevention strategies, receive guidance on how best to reach as many people as possible and provide educational resources to youth without directly being able to interact with them at our facility.

California Department of Public Health (CDPH): The CDPH will be an ongoing collaborative partner of OTC to ensure that we provide the most up-to-date and effective resources available to youth regarding cannabis and addiction. The CDPH's Youth Cannabis Prevention Initiative includes the California Cannabis Surveillance System (CCSS) and the Cannabis Education and Youth Prevention Program (CEYPP), which includes their "Let's Talk Cannabis" campaign. The CCSS is a public health data collection and analysis system for youth and adult cannabis use, legal, social, environmental impacts, and health outcomes. The CEYPP provides health education and prevention to reduce the negative impacts and consequences of cannabis use through state and local partnerships and public awareness campaigns. The "Let's Talk Cannabis" campaign offers easily digestible written and visual materials that help parents discuss cannabis with their children and maintain a concerted approach rooted in public health prevention strategy. These materials are available in print at our facility upon request and we also link to the program website and specific program materials on our own website. We look forward to forming one of these local partnerships, receiving guidance from CDPH on public awareness campaigns, and modeling our outreach programs after CDPH's proven strategies for mitigating cannabis use in youth populations.





SECTION F: COMMUNITY BENEFITS & INVESTMENT PLAN

Off The Charts (OTC) views the entire community where we operate as an extension of the OTC family and thus treats community reinvestment as a way to take care of our family. This is especially true in Santee, as Owner and CEO Norman Yousif spent two decades living and working in El Cajon and liken Santee to their own backyard. This family-oriented approach has also been applied successfully in other San Diego County communities such as Vista, the home of our flagship location that opened in 2019, and more recently in Lemon Grove, which is just fifteen minutes down Highway 67. Millions of dollars in tax revenue and philanthropic donations have been poured into these communities to support local organizations, provide opportunities for local residents and improve quality of life citywide. Each community has its unique sense of identity, and we recognize Santee's identity as a beloved community with a "sunny climate, good schools, and small-town friendliness." OTC has thus developed a Community Benefits and Investments Plan that aligns with the City's Mission, Vision, Values Statement and includes strategic initiatives, company policies, and outreach efforts that enrich the quality of life for individuals in Santee. Core principles of the Community Benefits and Investment Plan include: (1) Directly aiding, participating in, funding and forming partnerships with local organizations that facilitate opportunities and equity for Santee residents; (2) Offering competitive compensation packages and health benefits that far exceed minimum requirements to facilitate financial stability for our staff, as well as providing extensive industry training, collective bargaining rights, continuing education stipends, and opportunities, and diversity programs to support a broad range of talents within our staff; (3) Consistently conducting community outreach for open positions, focusing on local hiring and sourcing and providing other economic opportunities to bolster the socioeconomic status and purchasing power of Santee's local workforce; (4) Making direct financial contributions to the City of Santee to support the General Fund and all local initiatives; and (4) Embracing environmental stewardship through green building practices, water-saving measures, support for alternative transportation and electric vehicle charging facilities, demonstrating our commitment to sustainability and community health. The plan is designed with an emphasis on supporting a wide range of local initiatives explicitly chosen to elevate the quality of life in our community and preserve and enrich the city's available resources. We are steadfast in our commitment to serving Santee and being stewards of the local business community. Our team's community-focused approach has been a large part of our success in Vista for the last five (5) years, where we have been able to make a real difference in quality of life outcomes throughout the community. We look forward to working with the City of Santee and local organizations to conscientiously integrate our proposed business into the City's existing civic landscape and social fabric.

Alignment with Santee's Community Core Values: Our Community Benefits and Investments Plan is guided by our intent to help the City of Santee actualize its Mission Vision and Values Statement, which is as follows:

Mission: "We honor the public trust and serve our community by providing quality services and programs to promote economic prosperity, safety, social well-being, and a healthy environment."

Vision: "Exceptional and dedicated people working together for a dynamic and progressive City where family, community, and diversity are embraced."

Values: We recognize the following values and build them into our Community Benefits and Investment Plan to ensure our strategies are targeted and that we provide holistic benefits to the community:

- (1) Accountability – Taking responsibility & ownership for actions and results;
- (2) Visionary – Exemplifying innovation and initiative;
- (3) Integrity – Dedication to honest and ethical actions in public service;
- (4) Professionalism – Demonstrating high standards of performance, service or teamwork with responsiveness, courtesy, and respect; and (5) Commitment – Displaying dedication and loyalty to the community, organization or profession.



SECTION F: COMMUNITY BENEFITS AND INVESTMENT PLAN



Locally Owned and Managed: We have partnered with prominent local figures who have intimate knowledge of local needs, beliefs and attitudes and have applied that knowledge to the Community Benefits and Investments Plan. Owner and Community Relations Officer Loren Krumweide has amassed a 35+ year career as a public servant in the Santee Fire Department and has helped keep this community safe for decades. He is very active in local organizations both affiliated and non-affiliated with the Santee Fire Department and has still continues to give back to the community even though he has recently retired. Owner and Community Advisor Randy Burgess recently retired after a 30+ year career in the San Diego Police Department and has lived in Santee for the last 35 years. The critical insight of these' Owners and the application of their local knowledge to the implementation of our Community Benefits and Investments Plan will help us ensure that we are meeting and exceeding the needs of the local community, especially from a public safety perspective.

F.1. COMMUNITY AID

Our support of the local community is exemplified by the direct aid, participation in, support, and funding of local organizations and their respective causes. We are regular contributors to local organizations in every jurisdiction in which we operate, and these jurisdictions have greatly benefited from our presence through monetary donations, volunteer hours, and various other forms of contribution.

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

Contribution Methodology and Prioritization: While we cannot identify specific organizations, we are currently engaging local organizations that are a cohesive fit for partnership as part of our Community Benefits and Investments Plan. Financial contributions are prioritized for organizations whose goals and core values align with those of Santee's elemental goals in their General Plan, which include the following: (1) Land Use – Promote development of a well-balanced and functional mix of residential, commercial, industrial, open space, recreation, and civic uses that will create and maintain a high quality environment.; (2) Housing – Ensure that decent, safe housing is available at a cost that is affordable to all current and future residents of this community; (3) Mobility – Provide a balanced, interconnected multimodal transportation network that allows for the efficient and safe movement of all people and goods, and that supports the current and future needs of Santee community members and travel; (4) Recreation – Develop a system of public parks and recreational facilities which serve the citizens of Santee; (5) Trails – Encourage alternative means of transportation on a community and regional scale by providing a comprehensive network of bicycle, equestrian, and pedestrian trails which serve present and future needs of our community, and which preserve and/or enhance the community character and the environment; (6) Conservation – Conserve open space, natural and cultural resources; (7) Noise – Improve the city's overall quality of life by reducing harmful and annoying noise for existing and future residents; (8) Safety – Minimize injuries, loss of life, and property damages resulting from natural and human-induced safety hazards; and (9) Environmental Justice (part of Safety Element) – Reduce pollution exposure, improve access to public facilities, promote food access, promote safe and sanitary housing, promote physical activity, promote civic engagement, prioritize improvements and programs to address the needs of disadvantaged communities; and (10) Community Enhancement – Respect and integrate the natural and man-made environments of Santee to enhance the quality of life, revitalize older neighborhoods and community places, and sustain a beautiful, distinctive and well organized community for our citizens. While we are unable to name specific organizations in the Community Benefits and Investments, we have identified types of organizations that we are prioritizing for our philanthropic contributions. This includes, but is not limited to, the following: (I) Organizations that advocate for affordable housing and fight homelessness to address the General Plan's Housing Element; (II) Organizations that contribute to better environmental, public health, food security and overall wellness outcomes in Santee to address the General Plan's Environmental Justice Element; and (III) Organizations that preserve Santee's unique character and culture and contribute to sustainable growth in the city to address the General Plan's Community Enhancement Element.

Chamber of Commerce Membership: Our proposed operations in Santee will garner various benefits for the local community, including local non-profits and community, civic, or social service-based organizations. We are joining the Santee Chamber of Commerce to confer with local stakeholders and determine exactly what goals the City is most expeditiously pursuing and how we can help achieve these goals rather than making superfluous donations of funds and volunteer hours that do not meet specific City needs. Our collaboration with the Chamber of Commerce is an ongoing



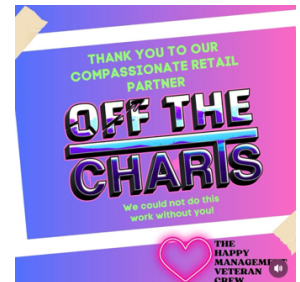
feature of our Community Benefits and Investments Plan, which ensures our ability to make an actionable change and improve the quality of life throughout the City.

Staff Volunteer Hours: Beyond direct aid, OTC values public service, actively encouraging staff participation in local Santee organizations and events to foster a deep connection with our communities. We offer up to **40 paid volunteer hours annually** for each employee. **At a total capacity of 26 employees, this results in up to 1,040 volunteer hours contributed by staff annually.** Employees are compensated at their respective rates for all paid volunteer hours. This equates to one whole work week allocated to community service annually and thoroughly exemplifies our commitment to the City of Santee. Staff and managers work with the local Chamber of Commerce, OTC's Community Relations Officer and Community Advisor, as well as the City Council to determine local non-profits and community associations to which our team members can contribute paid volunteer hours.

Community Events: Alongside financial contributions and volunteer efforts, our Community Benefits and Investment Plan includes OTC-hosted events designed to educate the public about cannabis, promote social equity within the industry and the broader community, and demonstrate our commitment to the city's vitality to fellow businesses and organizations. These community-oriented events include, but are not limited to:

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

Compassionate Donation Events: OTC's partnership with ReCompass facilitates compassionate donation of tax-free cannabis to patients in need within the compliant supply chain under SB 34, now currently moving through the legislature as AB 2111. Earlier this year, we hosted a Compassionate Donation Event at our flagship location in Vista in conjunction with notable cannabis advocacy group Americans for Safe Access (ASA) and one of our most trusted brand partners, Ember Valley. At this event, we provided the maximum daily purchase limit of cannabis for free to over 100 patients. We also serve as a donation hub for ReCompass in San Francisco for regular donations to veterans as part of the organization's co-sponsored "Happy Management" events. These events are part of a larger compassion program that is under development for all of our locations to set a benchmark for compassion in the cannabis industry, which ultimately improves public health and wellness outcomes in each community we serve. We look forward to extending these efforts to Santee and creating a sustainable ecosystem for medical cannabis access within the City of Santee.



Expungement Clinics: We periodically host and sponsor expungement clinics in partnership with local law firms, which are critical in assisting community members with qualifying cannabis convictions. These clinics guide individuals through the legal process to clear their records, effectively reducing long-term socioeconomic disadvantages and supporting their journey toward social and economic rehabilitation in Santee.

F.1.A. ADDITIONAL BENEFITS: PUBLIC SAFETY

OTC's proposed business in Santee promotes public safety and welfare at all costs. We are well-quipped to do so through collaboration with our local Owners Loren Krumweide and Randy Burgess, who have spent over 60 combined years in law enforcement and fire protection and can guide our safety and security strategies. They advise on the layout of our security systems to ensure perimeter security, help us develop fire prevention and suppression protocols, incident response procedures and much more to protect patrons, product, and the premises. We also ensure public safety and welfare through consumer education to ensure that all of our patrons understand the health concerns and potential adverse effects associated with cannabis. Our Consumer Education Plan (CEP) accounts for various approaches to educating customers about cannabis. Our CEP takes into account that individuals are different in terms of cannabis' relationship with their physiology. We have also created a Public Outreach and Education Plan (POEP) to ensure that cannabis is kept out of the hands of Santee's youth; see **E.2.A. Youth Protection: Public Outreach and Education Plan** within **SECTION E:**

SECTION F: COMMUNITY BENEFITS AND INVESTMENT PLAN



NEIGHBORHOOD COMPATIBILITY for further detail. We truly understand the sensitive nature of operating a cannabis business concerning public safety, and our approach of empowerment through education instills the community benefit of an informed population.

F.1.B. ADDITIONAL BENEFITS: SUSTAINABILITY AND ENVIRONMENTAL STEWARDSHIP

We want to set an example in the business community for sustainable practices by incorporating renewable energy to reduce emissions, conserving water, and various other initiatives. We project that our sustainable practices can save the City annually in ancillary costs stemming from excess energy use and contribute to the ongoing fight to combat climate change. The following is a summary of our sustainability efforts: We look to the Leadership in Energy and Environmental Design (LEED) certification standards to guide construction and renovation processes. OTC emphasizes locally available materials to reduce environmental costs relating to transportation, incorporate green elements into interior and exterior design, and provide flexibility through dynamic planning and design. We limit water use by integrating drought-tolerant landscaping and installing low-flow fixtures. We integrate native, drought-tolerant species such as Western Redbud and Manzanita along with low-impact, automated drip irrigation methods to mitigate demands on water consumption. Further water conservation measures include the application of low-flow fixtures throughout the facility. Our facilities are outfitted with EPA-designated “WaterSense” faucets and toilets, which use 20-30% less water than conventional systems. Mitigating traffic congestion and reducing emissions relating to transportation is an essential civic duty for stakeholders in a city’s business infrastructure and thus we create incentives for employees and customers to use alternative modes of transportation. We provide a bulletin for employees with information on public transit routes, ridesharing information, bicycle/metro routes, safety information, and other pertinent information and materials. Our employees and customers can enroll in our public transportation voucher program, which reimburses costs for the use of transportation. The OTC parking lot also provides 208/240 V 40-amp electric vehicle charging stations for at least 5% of on-site parking spaces.

F.2. MINIMUM WAGE

OTC is dedicated to offering wages exceeding local minimum wage requirements and ensuring an immediate and positive economic impact within Santee. Financial empowerment stands at the core of our labor and employment practices across all our cannabis stores, underscoring our commitment to the community's prosperity. We currently pay all employees’ wages over 200% of the Federal Poverty Level and consistently exceed local minimum wage rates, a commitment we are extending to our operations in Santee. According to the 2024 Poverty Guidelines provided by the US Department of Health and Human Services, the Federal Poverty level for a family of two is \$20,440, making 200% of the Federal Poverty Level equivalent to \$40,880. **OTC compensates full-time hourly employees at or above \$20/hr (\$41,740 for 2,087 hours worked annually)** to exceed compensation of over 200% of the Federal Poverty Level. OTC’s compensation plan meets these guidelines to economically empower our staff. We start all employees at a minimum wage of \$20.00/hour. Front-end staff, including Cannabis Specialists, receive this base wage, gratuities, and other allocations that bring hourly compensation above the living wage. Salaries are set within a range corresponding to specific jobs based on competency and performance, but all salaries exceed living wage rates. Beyond base compensation, current employees are provided a range of comprehensive benefit plans that allow them and their families to create benefit packages that meet their specific needs. Hourly employees earn up to \$500 monthly based on sales performance, while salaried employees earn \$10,000-15,000 in performance-based bonuses annually. We make these same offerings to all employees at all our locations and adjust any plans to make sure our team’s needs are met.

Promoting From Within - Management Opportunities and Wage Increases: OTC is deeply committed to our employees and believes all staff should be provided opportunities for advancement within our company. These opportunities not only bolster our employees' overall career trajectories but also allow them heightened pay well beyond the standard of living wage. We have promoted various employees to higher-ranking positions since commencing operations at our locations in Vista, both of our Palm Springs locations, Winterhaven, Van Nuys, and Costa Mesa. Not only do we seek to promote internally, but we also have specific diversity goals in hiring and promotion for all management-level positions. All staff members are considered for raises and promotions during yearly reviews based on performance, competency, training, continued education, and employment tenure. Raises and promotions awarded to staff with anniversary dates that fall before yearly reviews receive back pay. Staff must have worked in their current position/pay rate for at least six months during performance reviews to qualify for a performance-based promotion or raise. OTC has had a voluntary attrition of less than



ten percent (10%) since opening, which we believe results from our commitment to competitive wages, ongoing training and development, and career advancement opportunities for all employees.

F.3. LOCAL OUTREACH

OTC is committed to local hiring in Santee that consolidates job opportunities in Santee. Local outreach efforts are executed to improve economic outcomes for members of disenfranchised and targeted communities. Our primary goals concerning local outreach are to work with local employment agencies, host outreach and hiring events, sponsor training for local equity individuals, focus on local hiring and internally promoting, and maintain beneficial relations with employees. Other actions intended to benefit the local workforce include, but are not limited to, the Training and Development Program outlined in **SECTION C: SECURITY PLAN** and the comprehensive employee benefits packages outlined in **SECTION B: LABOR AND EMPLOYMENT PLAN**. These strategies have proven to be effective in our 20+ other cannabis businesses, and our expansive local network in San Diego County allows us to actualize this strategy in Santee.

Providing Opportunities for Diversified and High-Paying Jobs for Santee Residents: Local hiring is imperative to OTC's overall goals as a business in every jurisdiction we operate. We have vast experience working with the community to source qualified candidates from different walks of life, and we are applying this experience to bolster Santee's local economy through job creation. Our commitment to local hiring at all locations has been rewarded by our fantastic staff and their ability to connect to local clients and the greater communities we serve. More than 90% of the staff at our flagship location in Vista are local residents, and we maintain a minimum of roughly 70% of the local workforce at all other locations. **We are upholding our reputation as a business that provides meaningful opportunities for local residents and contributes to the City's diverse economic base by striving to maintain no less than 80% of payroll hours being performed at the business by City of Santee residents, with the goal of consistently increasing this percentage over time.** We seek out team members from non-traditional sources to ensure employees continue to diversify our retail locations. We also have a pool of candidates from our existing stores in Vista and Lemon Grove who may be partial to relocating once the Santee facility is operational and who also have friends and family members in the area with interests in working in Santee.

Outreach Strategies: We work with local community organizations and other non-profits that offer employment services to execute our local hiring initiatives. OTC strategizes with local employment agencies to help source qualified Santee residents. We are replicating our work with cannabis-specific employment agencies such as Vangst, FlowerHire, Glassdoor, Careers in Cannabis, and Talent Acquisition Specialists to ensure we source qualified individuals with cannabis experience. Beyond these efforts, we feature job listings at local community centers, community colleges, vocational schools, local publications, and other locations Santee residents frequent. We advertise open positions on Indeed, Glassdoor, ZipRecruiter, Monster, Hired, and other websites and job databases that have recently gained popularity. Finally, our Community Relations Officer and Community Advisors will mobilize their network of local residents, professionals, and other individuals to provide us with an even larger pool of candidates with experience in the industry and similar core values, beliefs, and attitudes about cannabis. Job postings are made public for a minimum of 30 days, and posts only include qualifications and skills necessary for the job using inclusive, unbiased, ungendered language. Eligible candidates are driven to learn about cannabis and committed to providing the highest level of customer service. All postings issued by OTC highlight diversity and encourage everyone, regardless of race, color, religion, national origin, ancestry, sex, disability, or age, to apply for employment. OTC adopts and builds upon targeted hiring methods to institute inclusive hiring practices that seek qualified employees from and advertise positions to veterans, seniors, women, and disproportionately impacted communities. Through specifically targeted relationships with local vendors and service providers, retail cannabis training programs for residents, and equal opportunity initiatives, OTC is vigilant and confident in its ability to attract local hires and achieve our local hiring objectives for Santee.

F.4. DIRECT FEES TO THE CITY

Our Community Benefits and Investment Plans includes a ***Direct Fee to City of Santee in the amount of 6% of gross receipts***, which allows City Officials to exert control over the community benefits that stem from our operations and how these funds are allocated. Our hope is that this Direct Fee provides the City of Santee with additional revenue toward building the General Fund, spending towards General Fund-designated initiatives, or any other financial allocation the City deems appropriate. We anticipate upwards of \$2.86M in Direct Fees from our first three years of operation, which would allow the City to immediately invest in areas of need. Our overall commitment to the City of Santee is unwavering and we view this contribution as a way to invest in the improvement of a community which we intend to make our home.

SECTION F: COMMUNITY BENEFITS AND INVESTMENT PLAN



SECTION G: PROPOSED SITE PLAN

G.1. EXISTING SITE

Below is a summary of the site, existing conditions, development plans and other aspects of the proposed business' location.

G.1.A. PHYSICAL ADDRESS

The address of the proposed site is 8069 Mission Gorge Rd Santee, CA 920171. It is also known as 0 Big Rock Rd Santee, CA 90271 This is an undeveloped parcel at the corner of Mission Gorge Rd and Big Rock Rd.

G.1.B. NARRATIVE DESCRIPTION OF EXISTING SITE

The proposed location is on a .44-acre vacant lot at the signalized corner of Mission Gorge Rd and Big Rock Rd in the southwest corridor of Santee. The proposed property faces Mission Gorge Rd and Highway 52 with excellent visibility. Those traveling West on the 52 can take exit 14 and then make a right onto Mission Gorge Rd. The proposed location is less than 1 mile from this off-ramp. Those traveling east on the 52 can take exit 15 B, make a right on Fanita Drive, and then make a left onto Mission Gorge Rd; the proposed location is approximately 1 mile from this turn. The immediate surrounding area comprises a hair salon, bike shop, park & ride, tax preparer, and a residential building. The Big Rock Shopping Center, as well as additional shopping centers and restaurants such as El Rancho Mexican Grill and Cantina, are a short walk or one-minute drive on the same eastbound side of Mission Gorge Rd as our proposed location, making our site a complimentary extension to this up-and-coming shopping district in southwest Santee. The 834 MTS westbound Mission Gorge Rd and Big Rock Rd Stop # 40382 stops directly across the street from the proposed location, which is accessible by a protected pedestrian crosswalk at the intersection. The 834 Eastbound stop is an approximate 7-minute walk (0.3 miles) West on Mission Gorge Rd at the Mission Gorge Rd & West Hills Pkwy Stop# 40259. There are well-maintained sidewalks surrounding the property on Mission Gorge Rd and Big Rock Rd. The proximity to the bus stop as well as the Park & Ride make this spot accessible to mass transit and should yield above-average foot traffic for the area, especially from residents of nearby apartment complexes on Mission Gorge St, less than a mile from the proposed site. The proposed property is also poised for ample parking, with 12 permitted parking spots that are accessible through the parking lot entrance on Big Rock Rd. The site will be accessible from an Easement on Paseo Bello through a driveway with ingress and egress as well as four parking spots directly off of Paseo Bello.

G.1.C. PHOTOGRAPHS OF EXISTING SITE





G.1.D. CURRENT USE OF THE SITE

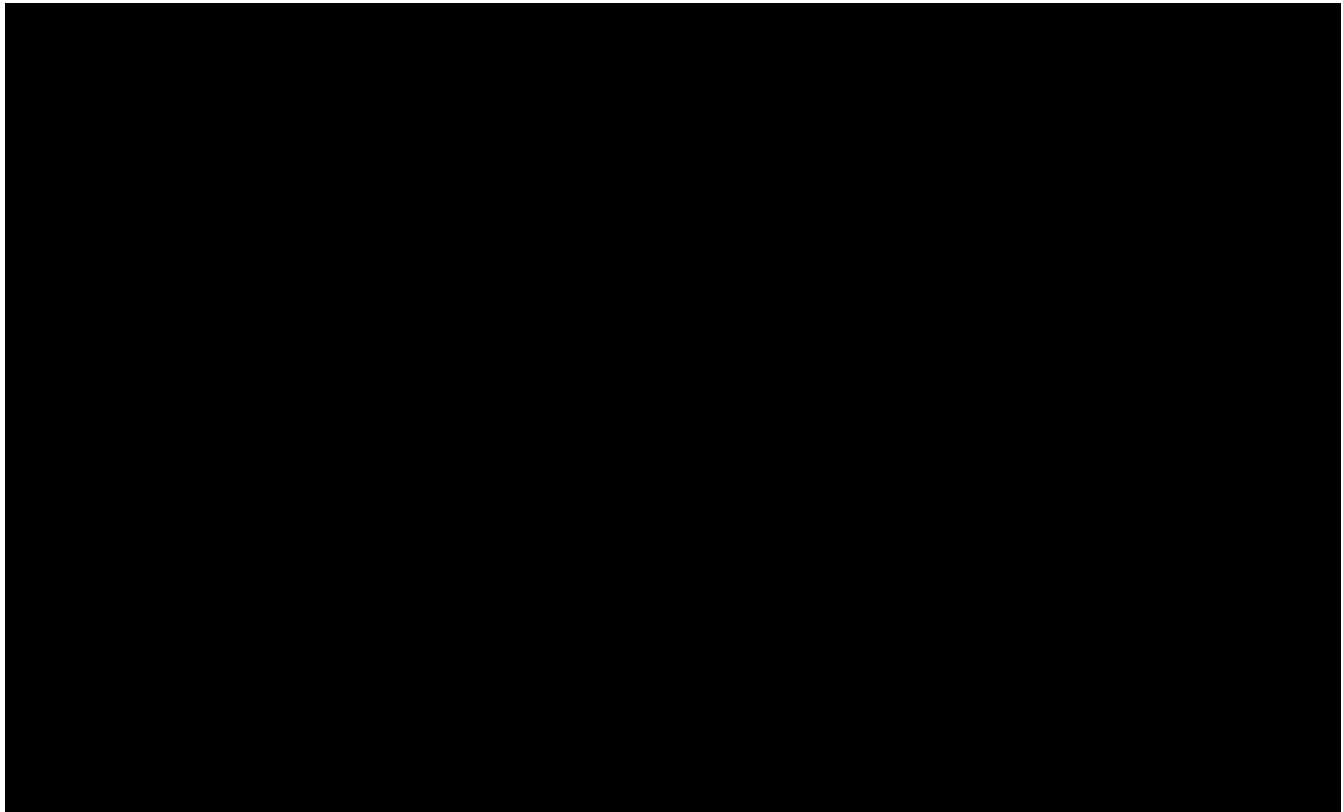
The site is currently raw land and is not being used for any commercial activity.

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

There are no other businesses operating on the parcel. The immediate adjacent parcels include a small commercial center to the west on Mission Gorge Road, which includes a hair salon, bike shop, and tax preparer. Behind the proposed site is a single-family residential building; across the street from Big Rock Road is a Park & Ride; and across the street from Mission Gorge is a bus stop and landscaping separating Mission Gorge Rd from Highway 52.

G.2. PROPOSED SITE

G.2.A. SITE PLAN



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

G.2.B. DESCRIPTION OF PROPOSED SITE IMPROVEMENTS

Our architectural design is grounded in the attempt to transform a vacant lot at the corner of Mission Gorge Rd and Big Rock Rd into a personification of the OTC brand and Santee community. Our exterior architecture serves to blend our brand with natural elements to connect the building to the origins of cannabis as an herbal remedy. To this end, we utilize sustainably harvested Ipe wood siding, a Brazilian hardwood admired for its beautiful brown and amber tone, that completes the upward slope of the OTC logo. The sustainable Ipe wood cladding is used as a natural wall perimeter that encloses our space and ceremoniously blends the exterior building facade into the landscaped outdoor space and to evoke arboreal imagery for the entirety of the building. The exterior architecture is rounded out with sections of glass and iron wall panels, one of which serves to set the tone of the entry experience.

Coinciding path-of-travel and landscape improvements throughout the parcel directly adjacent to Mission Gorge Rd complement the natural elements of the building architecture to create a cohesive feeling of an oasis in the otherwise suburban landscape of the surrounding neighborhood. A newly installed pathway bows inwards off of the existing sidewalk



and creates a separate, well-lit concourse that leads to the facility through a desert-oasis landscape, which incorporates mature, California-native flora, and mature trees that provide natural shading and combine with other drought-tolerant vegetation to break up the concrete sidewalk. Sycamore, Manzanita and Jacaranda trees intersperse throughout the lot to provide natural height and color variation based on these species' variations. Natural shrubs include California native sages, poppies agave, and other succulents, which provide a pop of color as well as serve as pollinators for local bee and bird communities.

Our exterior signage is subtly integrated into the building's design and through an oversized depiction of OTC's upward sloping logo featured on the side of the building facing Mission Gorge Rd. The signage on the side of the building allows for OTC's brand to be represented graphically through the OTC logo, which includes a halo-effect illumination that can be seen in the evening; the remainder of the exterior lighting is composed of natural materials that bring the design features back to a nature-themed aesthetic. Sconces used on the stucco-façade will be natural teak or other wood, while the sconces that are featured on the wood siding will be a natural iron that will form a patina over time and complement the iron sculpture featured in the sculpture garden. The remaining exterior lighting includes a modern take on the classic Shepherd's Double Hook Street Lamp, which includes matte black powder coating and LED fixtures.

The site's entry experience includes both the parking lot ingress off Big Rock Rd. As a vehicle pulls into the site they are welcomed by the desert native landscaping that runs along the building's frontage. The large black iron and glass entryway has a set of double doors that are framed by glass panels that open into the facility's spa-like interior. The entryway is framed by OTC's famed upward slanting arrow through the word "Off" in the logo, which complements the same graphic on the side of the building and is meant to evoke the sense that a customer is entering the OTC brand experience both literally and figuratively. The glass panels and double door give way to the entry lobby which includes a marble and white oak check-in counter against a sage green feature wall.

Pedestrian crosswalks are featured throughout the lushly landscaped parking lot at the ends of drive aisles to ensure safe access. The proposed site features 12 parking spots with one (1) handicap accessible stall. Integrated lighting and security plans allow for the site to be warm and inviting while maintaining a sense of security for visitors. At its core, OTC's Santee facility is designed to create the feeling of a lush getaway within Santee's suburban environs, creating a natural retreat that blends with the less-than concentrated Western portion of the City.

G.2.C. DEPICTIONS OF THE PROPOSED SITE





G.3. IMPACTS ON THE SURROUNDING AREA

The proposed modifications and utilization of the site for cannabis retail will have a resoundingly positive impact on the surrounding area's public health, safety, welfare, environmental quality and overall quality of life. We have been operating commercial cannabis facilities throughout California for the last seven (7) years and have experienced noticeable improvements stemming from our operations in the surrounding areas and the communities overall. Our experiences have been reinforced by the feedback we receive from local regulators concerning our operations, and our community-focused approach has proven to be successful in achieving these outcomes. Below is a brief summary of how our operations in Santee will positively impact the surrounding area:

Public Health: The utilization of our cannabis retail site will improve public health for the surrounding community and Santee overall. Our Community Benefits and Investment Plan unequivocally demonstrates our commitment to partnering with local organizations that strive to improve public health outcomes in Santee, and our donations and additional contributions will provide them with the necessary resources to achieve and exceed desired public health outcomes. We will also be contributing directly to the community's public health through education and transparency. The educational materials included in our Consumer Education Plan will effectively instill invaluable knowledge in our customer base, providing them with all the necessary tools and resources to make informed decisions about cannabis, which in turn mitigates serious adverse events relating to cannabis sourced from our facility. Our compassion program features donations of free cannabis to qualified patients improve access to products that help relieve physiological and mental health conditions. We are determined to provide the best quality cannabis products on the market and are confident that our Medical Patients



and Adult Use customers alike will experience relief from various ailments when they purchase and consume products from our store.

Safety: A growing body of research suggests that public safety outcomes improve drastically in areas where cannabis retailers are located compared to before they began operations in a given community. We have experienced this same improvement in public safety in Vista over the last six (6) years. Our facilities feature Security Personnel from Armortech Security; the installation and advanced capabilities of our surveillance, alarm and monitoring systems from Bay Alarm Company; facility design that incorporates operational security and concentric circles of protection; and best-in-class standard operating procedures. Between these security elements and the vigilance of our staff in protecting the premises and product, our operations will facilitate heightened public safety for all customers and community members in the surrounding area. Furthermore, our willingness to work with local law enforcement towards the improved safety of our community has allowed our other locations to flourish and be safe harbors in the communities they serve. Access to live-feed video cameras has been used by local law enforcements agencies to supplement their investigations into activity at neighboring businesses in other jurisdictions. We look forward to implementing our best in class security features and procedures to increase community safety at our site and in the surrounding community.

Welfare: The proposed development and utilization of the vacant lot for cannabis retail activity will promote public welfare in the form of economic growth, labor force expansion and the enhancement of civic capabilities. Our proposed operations will result in 22 new positions available and \$763,434 in payroll upon initial opening and 26 positions and \$945,337 in payroll at full capacity, which will substantially improve the socioeconomic status and purchasing power of Santee community members employed by OTC. Our commitment to at least 70% local hiring efforts ensures that our employment efforts have a direct impact on the Santee community. We plan to source all vendors and contractors for site construction and development locally, which bolsters Santee's economy by keeping revenue within the City of Santee rather than looking to large corporations who provide services all over the country. We also anticipate upwards of \$3.3M in financial contributions being allocated to the city over our first three years of operations based on 6% of revenue from gross receipts allocated to the City and 1% of gross receipts to local organizations, which will be redistributed to the community in the form of more public resources and improvement of existing government, private and non-profit programs thus promoting welfare for all Santee residents.

Environmental Quality: A healthy, safe environment is one where community members have consistent access to fresh food, are provided with ample opportunity for physical activity and are insulated from the devastating impacts of climate change by intelligent choices involving the use of community resources. Sustainability and environmental conservation are significant components of OTC's overall core values, and this is exemplified by our facility design, water conservation, waste reduction, commitment to use of public transportation, support of electric vehicles, and other sustainable business practices.

Quality of Life: Quality of life is a universal measurement of an individual's fulfillment and ability to function in an organized society. Various political, social, and economic factors contribute to an individual's quality of life, spanning from their disposable income to their health outcomes and everything in between. The socioeconomic and environmental implications of the commitments outlined above and throughout this application all lead to improved quality of life whether it be in the form of job security for our employees, aesthetic improvements in our neighborhood, improved climate change outcomes that provide a better future for Santee or convenient access to cannabis products that provide wide-ranging health benefits to our customers and everything in between. Our current cannabis operations have already contributed immeasurably to the quality of life in the jurisdictions in which they operate and within the last seven (7) years and we look forward to implementing our proven, community-driven business tactics in Santee to accomplish the same quality of life goals. Our goal and vision is to create a community hub where customers are not only able to gain access to the health benefits of cannabis, but where community members can supplement overall health and wellness efforts and learn about ways to be involved and engaged in the community by staff members who have a vested interest in their local community and who are actively engaged through civic engagement and community service efforts. We envision the developing an ecosystem that creates a community hub for our staff and customers and results in increased quality of life for everyone in the community.

OFF THE CHARTS



2. FINANCIAL RESPONSIBILITY, INDEMNITY AND CONSENT TO INSPECTION AGREEMENT

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

Dated: October 21, 2024

I hereby agree to the following terms:

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

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

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

7. The City shall have the sole and absolute right to approve any and all counsel employed to defend the City. To the extent the City uses any of its resources to respond to such claim, action or proceeding, or to assist the defense, I will reimburse the City for those costs. Such resources include, but are not limited to, staff time, court costs, City Attorney's time, or any other direct or indirect cost associated with responding to, or assisting in defense of, the claim, action, or proceedings.
8. I consent and expressly allow, authorize, and permit the City, all its departments, agents, and employees, to enter upon and inspect the subject property identified in the application, with or without prior notice, for the purposes of processing this application or inspection or photographing for compliance with all laws, regulations, and conditions placed on land use approvals or the cannabis business permit. No additional permission or consent to enter upon the property is necessary or shall be required. By signing this agreement, I further certify and warrant I am authorized to, and hereby do, consent, and allow such inspections on behalf of each and all Owners of the property and Applicants.
9. I understand that all materials submitted in connection with the application are public records that the City may in accordance with applicable law determine are subject to inspection and copying by members of the public. By filing an application, I agree that the public may, if the City determines the law requires it, inspect and copy these materials and the information contained therein, and that some or all of the materials may be posted on the City's website. For any materials that may be subject to copyright protection, or which may be subject to Sections 5500.1 and 5536.4 of the California Business and Professions Code, by submitting such materials to the City I represent that I have the authority to grant, and hereby grant, the City permission to make the materials available to the public for inspection and copying, whether in hardcopy or electronic format.
10. This Agreement shall constitute a separate agreement from any cannabis business permit approval, and that if the cannabis business permit, in part or in whole, is revoked, invalidated, rendered null or set aside by a court of competent jurisdiction, I agree to be bound by the terms of this Agreement, which shall survive such invalidation, nullification or setting aside.
11. This Agreement shall be construed and enforced in accordance with the laws of the State of California and in any legal action or other proceeding brought by either party to enforce or interpret this Agreement; the appropriate venue is the San Diego County Superior Court.

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

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

Applicant(s)/Owner(s):

Norman YOUSIF
Printed Name

Norman Y
Signature

Darline YOUSIF
Printed Name

Darline Y
Signature

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

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

Dated: OCTOBER 22, 2024

I hereby agree to the following terms:

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

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

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


7. The City shall have the sole and absolute right to approve any and all counsel employed to defend the City. To the extent the City uses any of its resources to respond to such claim, action or proceeding, or to assist the defense, I will reimburse the City for those costs. Such resources include, but are not limited to, staff time, court costs, City Attorney's time, or any other direct or indirect cost associated with responding to, or assisting in defense of, the claim, action, or proceedings.
8. I consent and expressly allow, authorize, and permit the City, all its departments, agents, and employees, to enter upon and inspect the subject property identified in the application, with or without prior notice, for the purposes of processing this application or inspection or photographing for compliance with all laws, regulations, and conditions placed on land use approvals or the cannabis business permit. No additional permission or consent to enter upon the property is necessary or shall be required. By signing this agreement, I further certify and warrant I am authorized to, and hereby do, consent, and allow such inspections on behalf of each and all Owners of the property and Applicants.
9. I understand that all materials submitted in connection with the application are public records that the City may in accordance with applicable law determine are subject to inspection and copying by members of the public. By filing an application, I agree that the public may, if the City determines the law requires it, inspect and copy these materials and the information contained therein, and that some or all of the materials may be posted on the City's website. For any materials that may be subject to copyright protection, or which may be subject to Sections 5500.1 and 5536.4 of the California Business and Professions Code, by submitting such materials to the City I represent that I have the authority to grant, and hereby grant, the City permission to make the materials available to the public for inspection and copying, whether in hardcopy or electronic format.
10. This Agreement shall constitute a separate agreement from any cannabis business permit approval, and that if the cannabis business permit, in part or in whole, is revoked, invalidated, rendered null or set aside by a court of competent jurisdiction, I agree to be bound by the terms of this Agreement, which shall survive such invalidation, nullification or setting aside.
11. This Agreement shall be construed and enforced in accordance with the laws of the State of California and in any legal action or other proceeding brought by either party to enforce or interpret this Agreement; the appropriate venue is the San Diego County Superior Court.

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

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

Applicant(s)/Owner(s):

SEAN MADDOCKS
Printed Name


Signature

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

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

Dated: OCTOBER 18th, 2024

I hereby agree to the following terms:

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

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

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

7. The City shall have the sole and absolute right to approve any and all counsel employed to defend the City. To the extent the City uses any of its resources to respond to such claim, action or proceeding, or to assist the defense, I will reimburse the City for those costs. Such resources include, but are not limited to, staff time, court costs, City Attorney's time, or any other direct or indirect cost associated with responding to, or assisting in defense of, the claim, action, or proceedings.
8. I consent and expressly allow, authorize, and permit the City, all its departments, agents, and employees, to enter upon and inspect the subject property identified in the application, with or without prior notice, for the purposes of processing this application or inspection or photographing for compliance with all laws, regulations, and conditions placed on land use approvals or the cannabis business permit. No additional permission or consent to enter upon the property is necessary or shall be required. By signing this agreement, I further certify and warrant I am authorized to, and hereby do, consent, and allow such inspections on behalf of each and all Owners of the property and Applicants.
9. I understand that all materials submitted in connection with the application are public records that the City may in accordance with applicable law determine are subject to inspection and copying by members of the public. By filing an application, I agree that the public may, if the City determines the law requires it, inspect and copy these materials and the information contained therein, and that some or all of the materials may be posted on the City's website. For any materials that may be subject to copyright protection, or which may be subject to Sections 5500.1 and 5536.4 of the California Business and Professions Code, by submitting such materials to the City I represent that I have the authority to grant, and hereby grant, the City permission to make the materials available to the public for inspection and copying, whether in hardcopy or electronic format.
10. This Agreement shall constitute a separate agreement from any cannabis business permit approval, and that if the cannabis business permit, in part or in whole, is revoked, invalidated, rendered null or set aside by a court of competent jurisdiction, I agree to be bound by the terms of this Agreement, which shall survive such invalidation, nullification or setting aside.
11. This Agreement shall be construed and enforced in accordance with the laws of the State of California and in any legal action or other proceeding brought by either party to enforce or interpret this Agreement; the appropriate venue is the San Diego County Superior Court.

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

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

Applicant(s)/Owner(s):

JOSEPH W. GREGG
Printed Name

[Signature]
Signature

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

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

Dated: October 18, 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.
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Agreement of Limitations of City's Liability, and Certifications, Assurances, Warranties, and Indemnification to City

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

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

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

Applicant(s)/Owner(s):

Loren Krumweide

Printed Name

Signature



Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

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

Dated: October 18, 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.
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6. I will fund a deposit account ("Fund") to reimburse the City's cost, including attorney's fees, to defend any claim, action, or proceeding that is or may be subject to the Agreement on Limitations of City's Liability, and Certifications, Assurances Warranties, and Indemnification to City. In the event that any such claim, action, or proceeding is filed against the City, I shall within 30 days of the filing, deposit an initial sum of \$20,000 to the Fund to reimburse the appropriate portion of the City defense costs, as determined by the City in its sole discretion. The Fund shall contain an amount necessary to cover three months' worth of budgeted expenditures by the City relating to the City's defense of the claim, action, or proceeding, including all time to appeal, or as long as expenditures made by the City relating to its defense remain unreimbursed, whichever is later. Once all remaining

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

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

7. The City shall have the sole and absolute right to approve any and all counsel employed to defend the City. To the extent the City uses any of its resources to respond to such claim, action or proceeding, or to assist the defense, I will reimburse the City for those costs. Such resources include, but are not limited to, staff time, court costs, City Attorney's time, or any other direct or indirect cost associated with responding to, or assisting in defense of, the claim, action, or proceedings.
8. I consent and expressly allow, authorize, and permit the City, all its departments, agents, and employees, to enter upon and inspect the subject property identified in the application, with or without prior notice, for the purposes of processing this application or inspection or photographing for compliance with all laws, regulations, and conditions placed on land use approvals or the cannabis business permit. No additional permission or consent to enter upon the property is necessary or shall be required. By signing this agreement, I further certify and warrant I am authorized to, and hereby do, consent, and allow such inspections on behalf of each and all Owners of the property and Applicants.
9. I understand that all materials submitted in connection with the application are public records that the City may in accordance with applicable law determine are subject to inspection and copying by members of the public. By filing an application, I agree that the public may, if the City determines the law requires it, inspect and copy these materials and the information contained therein, and that some or all of the materials may be posted on the City's website. For any materials that may be subject to copyright protection, or which may be subject to Sections 5500.1 and 5536.4 of the California Business and Professions Code, by submitting such materials to the City I represent that I have the authority to grant, and hereby grant, the City permission to make the materials available to the public for inspection and copying, whether in hardcopy or electronic format.
10. This Agreement shall constitute a separate agreement from any cannabis business permit approval, and that if the cannabis business permit, in part or in whole, is revoked, invalidated, rendered null or set aside by a court of competent jurisdiction, I agree to be bound by the terms of this Agreement, which shall survive such invalidation, nullification or setting aside.
11. This Agreement shall be construed and enforced in accordance with the laws of the State of California and in any legal action or other proceeding brought by either party to enforce or interpret this Agreement; the appropriate venue is the San Diego County Superior Court.

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

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

Applicant(s)/Owner(s):

Randy P. Pongosa.
Printed Name


Signature

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

OFF THE CHARIS



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

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

(Must be completed by all owners)

A. WAIVER, RELEASE AND HOLD HARMLESS

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

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

B. AGREEMENT TO INDEMNIFY

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

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

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

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

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

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

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

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

E. PROSECUTION UNDER FEDERAL LAW

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

F. AUTHORIZED TO SIGN

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

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

Norman Yousif
Applicant Signature

Norman Yousif, Owner and CEO
Printed Name and Title

OTC Santee LLC
Name of Business Entity

8069 Mission Gorge Rd / O Big Rock Rd.
Santee, CA 92071
Address of Permitted Location

10/21/24
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.

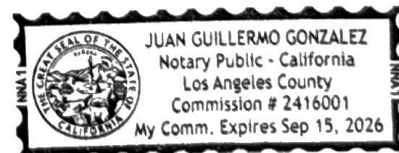
State of California
County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 21 day of October, 2024, 2024, by Norman Yousif, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me. Juan Guillermo Gonzalez Notary Public

Signature

[Signature]

(Seal)



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

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

(Must be completed by all owners)

A. WAIVER, RELEASE AND HOLD HARMLESS

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

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

B. AGREEMENT TO INDEMNIFY

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

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

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

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

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

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

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

E. PROSECUTION UNDER FEDERAL LAW

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

F. AUTHORIZED TO SIGN

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

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


Applicant Signature

Darline Yousif ; Owner and COO

Printed Name and Title

8069 Mission Gorge Rd / 0 Big Rock Rd
Santee, CA 92071

OTC Santee LLC DBA Off The Charts

Name of Business Entity

Address of Permitted Location

10/23/24
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 Los Angeles

Subscribed and sworn to (or affirmed) before me on this 23 day of October, 2024, by Darline YOUSIF, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me. Juan Guillermo Gonzalez Notary Public

Signature 

(Seal)



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

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

(Must be completed by all owners)

A. WAIVER, RELEASE AND HOLD HARMLESS

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

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

B. AGREEMENT TO INDEMNIFY

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

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

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

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

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

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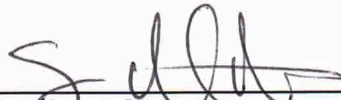
E. PROSECUTION UNDER FEDERAL LAW

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

F. AUTHORIZED TO SIGN

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

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


Applicant Signature

Sean Maddocks ; Owner and Chief
Compliance Officer

Printed Name and Title

8069 Mission Gorge Rd / 0 Big Rock Rd
Santee, CA 92071

Address of Permitted Location

OTC Santee LLC DBA Off The Charts

Name of Business Entity

10-22-2024

Date

Applicant Signature

Printed Name and Title

Name of Business Entity

Address of Permitted Location


Date

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

State of California

County of Orange

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

Signature 

(Seal)



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

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

(Must be completed by all owners)

A. WAIVER, RELEASE AND HOLD HARMLESS

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

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

B. AGREEMENT TO INDEMNIFY

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

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

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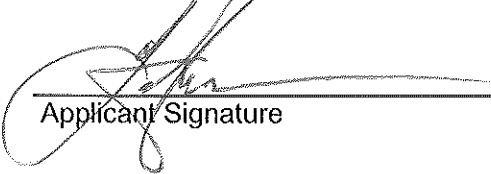
E. PROSECUTION UNDER FEDERAL LAW

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

F. AUTHORIZED TO SIGN

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

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



Applicant Signature

Joe Green ; Owner and Community Advisor

Printed Name and Title

8069 Mission Gorge Rd / 0 Big Rock Rd
Santee, CA 92071

OTC Santee LLC DBA Off The Charts

Name of Business Entity

Address of Permitted Location

10/22/24

Date

Applicant Signature

Printed Name and Title

Name of Business Entity

Address of Permitted Location

Date

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

State of California

County of San Diego

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

Signature Katherine J. Valdez

(Seal)



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

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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)

On October 22, 2024 before me, Katherine J. Valdez, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Joe Green
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Katherine J. Valdez
Signature of Notary Public

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: Agreement on Limitations of City's Liability and Indemnification

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

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

(Must be completed by all owners)

A. WAIVER, RELEASE AND HOLD HARMLESS

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

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

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E. PROSECUTION UNDER FEDERAL LAW

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F. AUTHORIZED TO SIGN

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

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

[Signature]
Applicant Signature

Loren Krumweide ; Owner and
Community Relations Officer

Printed Name and Title

8069 Mission Gorge Rd / 0 Big Rock Rd
Santee, CA 92071

Address of Permitted Location

OTC Santee LLC DBA Off The Charts

Name of Business Entity

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.

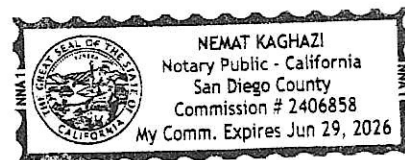
State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 11 day of October, 2024, by Loren Krumweide, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature

[Signature] (Seal)



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

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

(Must be completed by all owners)

A. WAIVER, RELEASE AND HOLD HARMLESS

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

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

B. AGREEMENT TO INDEMNIFY

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

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

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

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

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

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

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

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

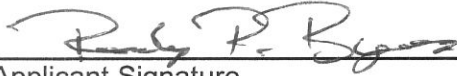
E. PROSECUTION UNDER FEDERAL LAW

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

F. AUTHORIZED TO SIGN

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

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


Applicant Signature

Randy Burgess ; Owner and Community Advisor

Printed Name and Title

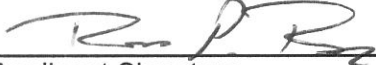
8069 Mission Gorge Rd / 0 Big Rock Rd
Santee, CA 92071

OTC Santee LLC DBA Off The Charts

Name of Business Entity

Address of Permitted Location

10/04/24
Date


Applicant Signature

Randy P. Burgess Owner & Community Advisor
Printed Name and Title

OTC Santee LLC DBA Off The Charts
Name of Business Entity


8069 Mission Gorge Rd / 0 Big Rock Rd
Santee CA 92071
Address of Permitted Location

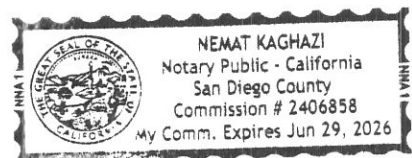
10/17/24
Date

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

State of California
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 17 day of October, 2024, by Randy P. Burgess, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature  (Seal)



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

OFF THE CHARIS



5. PROPERTY OWNER CONSENT/LANDLORD AFFIDAVIT



City of Santee

10801 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:

8069 MISSION GORGE Rd / 8 BIG ROCK Rd. SANTEE, CA 92071
Street City State Zip
383-160-09-00 & 383-160-07-00
Accessor Parcel Number (APN)

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

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

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

☒ I acknowledge that the proposed commercial cannabis business DTC SANTEE LLC
Tenant (Corporation/LLC/Partnership/Sole Owner)
has the legal right to occupy the property, and consent to the business conducting the following commercial cannabis activity at the Property:

- ☐ 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):

Ruslan Grub

PRINTED NAME OF PROPERTY OWNER(S)

Ariel Mavashv

PRINTED NAME OF PROPERTY OWNER(S)

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

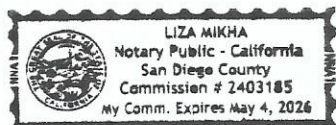
CALIFORNIA JURAT

GOVERNMENT CODE § 8202

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 17th day of October, 2024, by
Date Month Year

(1) Ruslan Grub

(and (2) Ariel Navashev),
Name(s) of Signer(s)

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

Place Notary Seal and/or Stamp Above

Signature

A handwritten signature in blue ink, appearing to be 'Liza Mikha', written over a horizontal line.

Signature of Notary Public

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: _____

OFF THE CHARTS



6. PROOF OF INSURANCE/LETTER OF INSURABILITY



PROTECTING ASSETS.
MAKING A DIFFERENCE.

September 28, 2024

RE: OTC Santee LLC
Workers' Compensation/Employer's Liability
General Liability

To Whom It May Concern:

As soon as our client provides exposures (applications, payroll, licenses), I will submit the exposures to insurance companies who will quote and ultimately bind coverage. The effective date of coverage will be the date that OTC Santee LLC binds coverage with the insurance Company.

OTC Santee LLC
8069 Mission Gorge Rd/0 Big Rock Rd
Santee, CA 92071

The policy coverage will reflect the following in accordance with Santee Municipal Code Section 7.04.300(B):

Workers' Compensation – Statutory
Employer's Liability - \$1,000,000
No Deductible/Guaranteed Cost

General Liability –
Bodily Injury/Property Damage Combined - \$1,000,000 Each Occurrence
General Aggregate - \$2,000,000
Personal Injury/Advertising Injury - \$1,000,000
Damage to Rented Premises - \$100,000
Hired/Non-Owned Auto Liability - \$1,000,000

Should you need additional information, please feel free to contact me.

Kind regards,

Terri Gits

Terri Gits
Sr. Account Manager
IMA Inc. – Denver
303.615.7975
terri.gits@imacorp.com

CA License #0798509
NPN 2337029

OFF THE CHARIS



7. PROOF OF CAPITALIZATION

October 22nd, 2024

Dear City of Santee,

This letter is written to indicate the intention of Rawy Yousif ("Investor") to enter into an investment agreement with respect to OTC Santee LLC DBA Off The Charts' proposed Cannabis Retail Storefront project in Santee.

I, Rawy Yousif, hereby indicate that I have the requisite legal and financial capacity to authorize an investment up to three million dollars (\$3,000,000) for the purposes of funding Start-up Costs and costs associated with Ongoing Operations anticipated by OTC Santee LLC DBA Off The Charts. A corresponding financial statement has been provided in order to verify my available funds to substantiate the investment amount pledged.

The proposed investment shall be contingent upon OTC Santee LLC DBA Off The Charts receiving all necessary local approvals to operate in the City of Santee in accordance with corresponding City Ordinances regulating cannabis businesses.

The terms of this Letter of Intent are not comprehensive and additional terms, including reasonable representations and warranties, shall be incorporated into a formal agreement (the "Formal Agreement") to be negotiated following the City of Santee's notice to proceed to OTC Santee LLC DBA Off The Charts' Cannabis Retail Permit Application.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rawy Yousif', followed by a horizontal line.

Rawy Yousif
Phone: (619) 319-0404
Email: rawy619@gmail.com

OFF THE CHARIS



8. PROOF OF ZONING VERIFICATION LETTER REQUEST

 Your application was successfully submitted!

Continue to plan

Fees

\$267.00

View Details

Add to Cart

Suggested Applications

Commercial Cannabis Business Permit (Retail Application)

Category Name:
Cannabis Permit

Description:
Request for a Cannabis Business Permit to operate at a commercial location.

Apply

Back

Shopping Cart

Total\$267.00

Check Out

Invoice: INV-00006688

Due Date: 11/02/2024

Description: ZVL-2024-0016

Case Number	Project	Case Address	Amount Due
ZVL-2024-0016			\$267.00

Remove

Top | Main Menu

Total\$267.00

Check Out



Santee, CA
Order Number: 10622
Thursday, October 3, 2024

Invoice #	Item Description	Quantity	Unit Price	Total Price
INV-00006688	ZVL-2024-0016	1	\$267.00	\$267.00
Item Total:			\$267.00	
Convenience Fee:			\$1.87	
Order Total:				\$268.87

Continue to site



ONLINE SERVICES

PERMITS | PROJECT SUBMITTALS | LICENSES

Norman Yousif ▾ 

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

My Work

- MY INVOICES
- MY PLANS**

Search...		Export to Excel				
Display	Pending ▾					
Plan Number	Project	Address	Plan Type	Status	State	
ZVL-2024-0016			Cannabis Zoning Verification Letter	Submitted - Online	Recent, Pending	

Showing 1 records.