

Exhibit C

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**EXHIBIT C
DRAFT RESOLUTION**

**Before the Planning Commission in and for the
County of Monterey, State of California**

In the matter of the application of:

MANN/CARMEL VALLEY ORIGINAL INC. (PLN170336)

RESOLUTION NO. ----

Resolution by the Monterey County Hearing Body:

- 1) Finding the project is the conversion of an existing small structure from one use to another, which qualifies for a Class 3 Categorical Exemption per Section 15303 of the CEQA guidelines; and
- 2) Approving an Administrative Permit and Design Approval for a cannabis retailer including delivery at 299 River Road, Salinas

[PLN170336, Mann/Carmel Valley Original Inc., 299 River Road, Salinas, Toro Area Plan (APN: 030-161-008-000)]

The Mann/Carmel Valley Original Inc. application (PLN170336) came on for public hearing before the Monterey County Planning Commission on July 11, 2019. Having considered all the written and documentary evidence, the administrative record, the staff report, oral testimony, and other evidence presented, the Planning Commission finds and decides as follows:

FINDINGS

1. **FINDING:** **CONSISTENCY** – The Project, as conditioned, is consistent with the applicable plans and policies which designate this area as appropriate for development.
EVIDENCE:
 - a) An application for a Administrative Permit and Design Approval to allow a commercial cannabis retailer at 299 River Road was filed on November 27, 2018 and was deemed complete on February 13, 2019.
 - b) During the course of review of this application, the project has been reviewed for consistency with the text, policies, and regulations in:
 - the 2010 Monterey County General Plan;
 - Toro Area Plan;
 - Monterey County Zoning Ordinance (Title 21);No conflicts were found to exist. No communications were received during the course of review of the project indicating any inconsistencies with the text, policies, and regulations in these documents.
 - c) The property is located at 299 River Road, Salinas (Assessor’s Parcel Number 139-061-003-000), Toro Area Plan. The property is zoned Light Commercial with a Design Overlay or “LC-D” which allows a

cannabis retail subject to an Administrative Permit and Design Approval. Therefore, the proposed use would be consistent with the regulations of the LC district for commercial cannabis activities contained in Section 21.67 of Title 21. The applicant has submitted evidence demonstrating that they can and will comply with Chapter 21.67 of Title 21 (see Evidence that follows).

- d) The proposed application involves interior tenant improvements. There are minor changes to the exterior, mostly cosmetic and for security purposes such as a new 8-foot high rod iron entry gate, security bars on windows fencing, stucco and paint. There will be a 5'x 2' parking informational sign on the building of the west elevation and a 12.5'x 2' frontage business sign on the south elevation.
- e) An Administrative Permit and Design Approval application has been submitted for the proposed cannabis retailer use that addresses the minimum regulations contained in Section 21.67.040.B of the Zoning Ordinance Title 21.
- f) Land Use and Zoning: Zoning on the property is Light Commercial or "LC." Cannabis retailers are an allowed use subject to an Administrative Permit in the LC zoning district. Therefore, commercial cannabis retailers are an allowed use on the site.
- g) Location and hours: The property is in an area that permits retail uses; is more than 6,800 feet from Buena Vista Elementary School (the nearest school); 3,400 feet from Indian Springs Subdivision residential playground. It is not within 1,500 feet of another permitted retailer. Operations plan propose hours to be 9:00 A.M. to 8:00 P.M (Monday-Friday), 9:00 A.M. to 6:00 P.M (Saturday) and closed on Sunday and holidays.
- h) Delivery: Delivery of cannabis or cannabis products will be tracked utilizing Detrack software applications platform. Employees would use their own vehicle to make the deliveries (proof of auto insurance and coverage will be required). Employees will carry a copy of the documents showing retailer's current permits, licenses, employee's government issued identification, delivery request and chain of custody records for all goods being delivered. Each vehicle will be equipped with a geotracking device. Delivery service will take place between the hours of 11:00 A.M. to 6:00 P.M. Monday thru Saturday.
- i) Product tracking and records: The owner and all permittees will maintain clear and adequate records and documentation demonstrating that all cannabis or cannabis products have been obtained from or are provided to other permitted and licensed cannabis operations; and will provide all records for inspection consistent with state law.
- j) Security: Security systems and procedures have been reviewed by RMA – Planning and Monterey Regional Fire Protection District. Appropriate measures and systems are proposed to meet local and State security requirements. There will be onsite security from a contracted security service, cannabis and cannabis products will be stored within a secured and locked safe, or vault with limited access with limited products kept in a display area, 24-hour video surveillance will be provided at strategic locations (internal & external) throughout the facility, and integrated fire and burglary alarm

systems will be installed. Bulletproof glass will replace normal glass for both the front door and all windows. A locked door will be established between the facility's entrance and the designated limited access area. The limited access area will only be accessible to authorized principal officers and agents, or service professionals conducting business. Security and emergency response training will be required for all employees. Exterior lighting plans have been proposed at the facility and the parking area. The exterior lighting will be directed downward and shielded to eliminate glare. It will be on from dusk to dawn. Security lighting will also be incorporated and triggered by motion detectors.

- k) Traffic: A report was prepared by traffic engineer, Larry Hail from Pinnacle Traffic Engineering dated November 27, 2018 and updated on May 9, 2019. The site previously contained a convenience market that is has been vacant since approximately 1998. While vacant, baseline traffic conditions in the vicinity have not included any traffic associated with use of the property. Any new use of the property would increase vehicular traffic to and from the site. Existing capacity exists to accommodate the projected traffic increases above base line conditions (vacant structures) and the traffic engineer concluded that the proposed dispensary use will generate significantly less traffic than a convenience market use (about 10% or less during PM peak hour). Because the site has been vacant, traffic impact fees will be applied to the project which are intended to address regional cumulative traffic in the area. As designed and conditioned, the project is not anticipated to significantly affect traffic in the region. Turning movements in and out of the driveway for the dispensary have also been reviewed. The RMA- Public Works compiled data for collisions reported over a five year period along River Road, from Ranchito Drive to Laguna Road (approximately 1.2 miles). During this period, eleven (11) collisions were reported. Of these eleven (11) collisions, only two occurred in the vicinity of the proposed project site, both north of Berry Drive. Berry Drive is approximately 500 feet north of the proposed project site. Both of these collisions were attributable to driver behavior (e.g., wrong side of road, unsafe speed). No collision data was reported related to turn movements into or out of properties in the proximity of the project site.
- l) Nuisances: A 24- hour business contact will be provided for nuisance complaints such as suspicious activity or loitering. Odor control will include a series of active carbon filters to reduce odors. The air will be filtered with humidifiers, dehumidifiers and air conditioning. The proprietor, through security patrols and employee trainings, will prohibit loitering with onsite.
- m) Physical improvements: Subject to approval of this permit, the owners will submit building plans for the interior tenant improvements. There are minor changes to the exterior, mostly cosmetic and for security purposes such as a new 8-foot high wrought iron entry gate, security bars on windows fencing, stucco and paint. There will be a 5' x 2' parking informational sign on the building of the west elevation and a 12.5' x 2' frontage business sign on the south elevation.

- n) Setback: There are no cannabis retailers located within 1,500 feet of the proposed retailer. This is the first cannabis dispensary/retailer application to be considered in the Toro Planning Area. Two other applications have been received for cannabis retailer uses in the vicinity. One application was for a dispensary near the gas station approximately 1,500 feet north of the subject site. That application was withdrawn and is no longer being pursued.
- o) Neighborhood Compatibility: From a policy and regulation standpoint, concerns raised during review regarding neighborhood compatibility most closely fit within the contexts of General Plan Policy LU-2.30 which allows small-scale retail and commercial service uses primarily serving local residents and at a scale and design that blends with the rural character of the area. This particular area does not have regional serving shopping facilities and commercial/retail uses are limited to the special treatment area (Toro Area Plan Policy T-1.4/Mo's shopping center) and two small properties, inclusive of the subject property that have a light commercial zoning designation. The surrounding rural neighborhoods along River Road are primarily made up of medium sized (three or four bedroom) to large (four, five or more bedroom) single-family homes ranging from approximately 1,500 sq. ft. to 3,500 sq. ft. zoned low, medium and rural density residential. The architectural styles are comprised with traditional Ranch, Craftsman, Farmhouse, Colonial and Spanish. Most of the residential real estate is owner occupied. Many of the residences were established between 1970 to 1999. A number of residences were also built between 1940 and 1969. Recent data from First American Title shows homes sold in the area range from \$750,000 to \$1.5 million. Residence in this area are predominately upper middle class ranging from family with small children to retirees. This area is unique in terms of neighborhood character, this is demonstrated with its progression in history by incorporating the old with the new. Outside of the residential areas are primarily 40 acre minimum farmlands. Although this area is in close proximity to the City of Salinas (approximately 4 miles), there is a rural country lifestyle with a greater sense of community. Despite the concerns regarding neighborhood compatibility, the project is consistent with land use and zoning regulations because the proposed dispensary is located in a light commercial zoning district which permits dispensary uses and because plans and information have been submitted that satisfy regulatory requirements for cannabis permitting.
- p) Any retailer business operating at the site will be required to obtain a Business Permit pursuant to Chapter 7.90 of the Monterey County Code, a Business License pursuant to Chapter 7.02 of the Monterey County Code, and a retailer license from the State. These other licenses and entitlements will ensure ongoing monitoring of compliance with the plans and operational requirements. Failure to obtain and maintain all required permits, licenses, and entitlements may be ground for revocation of this permit.
- q) The proposed project was reviewed by the Toro Area Land Use Advisory Committee (LUAC) on January 14, 2019. Five members

were in attendance and unanimously recommended denial of the project siting incompatibility with the character of the neighborhood.

r) The application, project plans, and related support materials submitted by the project applicant to Monterey County RMA-Planning for the proposed development found in Project File PLN170336.

2. **FINDING:** **SITE SUITABILITY** – The site is physically suitable for the use proposed.
- EVIDENCE:**
- a) The project has been reviewed for site suitability by the following departments and agencies: RMA- Planning, Monterey Regional Fire Protection District, RMA-Public Works, RMA-Environmental Services and Environmental Health Bureau. There has been no indication from these departments/agencies that the site is not suitable for the proposed development. Conditions recommended have been incorporated.
 - b) The application has been referred to the Planning Commission because of public controversy. Majority of the concerns are relating to traffic, safety and parking. Overall, the interested parties do not feel that the dispensary fits in a predominately rural residential area.
 - c) Traffic reports have been prepared for the project. With minor improvements to the parking area, traffic impacts and hazards are not anticipated. A simulation was conducted by the traffic engineer to represent a vehicle exiting the front and rear parking areas on site. The parking simulation was performed and demonstrated that a vehicle will be able to back out of a parking space in the front and rear parking areas, maneuver the vehicle and exit the project site going forward.
 - d) The proposed dispensary would be located within a building that, at one time, operated as a neighborhood serving convenience store. This building has been vacant since about 1998. The site also contains an existing single-family dwelling at the rear of the property that would remain and is proposed to be used for onsite employee housing. If odors become an issue, the applicant proposes a series of active carbon filters to reduce odors. The air will be filtered with humidifiers, dehumidifiers and air conditioning. A 24-hour contact is available to address issues concerns or complaints arising from the dispensary operation.
 - e) Operational plans including security, traffic, tracking, reporting, sustainability measures, and other relevant information are proposed to address regulatory requirements and minimize impacts at the site and in the surrounding areas (See also Finding 1 with relevant evidences)
 - f) The application, project plans, and related support materials submitted by the project applicant to the Monterey County RMA - Planning for the proposed development found in Project File PLN170336.
3. **FINDING:** **HEALTH AND SAFETY** - The establishment, maintenance, or operation of the project applied for will not under the circumstances of this particular case be detrimental to the health, safety, peace, morals, comfort, and general welfare of persons residing or working in the neighborhood of such proposed use, or be detrimental or injurious to

property and improvements in the neighborhood or to the general welfare of the County.

- EVIDENCE:**
- a) The project was reviewed by the Planning, Monterey County Regional County Fire Protection District, Public Works, Environmental Services and Environmental Health Bureau. The respective agencies have recommended conditions, where appropriate, to ensure that the project will not have an adverse effect on the health, safety, and welfare of persons either residing or working in the neighborhood.
 - b) Operational plans including security, traffic, tracking, reporting, and other relevant information are proposed to address regulatory requirements and minimize impacts at the site and in the surrounding areas (See also Finding 1 with relevant evidences).
 - c) Any retailer operating at the site will be required to obtain a Business Permit pursuant to Chapter 7.90 of the Monterey County Code, a Business License pursuant to Chapter 7.02 of the Monterey County Code, and a retailer license from the State. These other licenses and entitlements will ensure ongoing monitoring of compliance with the plans and operational requirements.
 - d) The Environmental Health Bureau will require that the facilities be designed to meet or exceed the requirements of the California Health and Safety Code, Division 104, Part 7, California Retail Food Code and the Agricultural Commissioner's Office will inspect packaging, labeling, and weighing devices used onsite.
 - e) The application, project plans, and related support materials submitted by the project applicant to the Monterey County RMA - Planning for the proposed development found in Project File PLN170336.

4. **FINDING:** **NO VIOLATIONS** - The subject property is in compliance with all rules and regulations pertaining to zoning uses, subdivision, and any other applicable provisions of the County's zoning ordinance. No violations exist on the property.

- EVIDENCE:**
- a) Staff reviewed Monterey County RMA - Planning and Building Services Department records and is not aware of any violations existing on subject property
 - b) Staff conducted a site inspection on June 19, 2019 and researched County records to assess if any violation exists on the subject property
 - c) The application, plans and supporting materials submitted by the project applicant to Monterey County RMA-Planning for the proposed development are found in Project File PLN170336.

5. **FINDING:** **STATE AND COUNTY REQUIREMENTS:** - The retailer, as proposed, has demonstrated that it can and will comply with all of the requirements of the State and County to operate a cannabis retailer.

- EVIDENCE**
- a) Operational plans including security measures, record keeping, monitoring and reporting requirements, packaging and labeling standards, and other relevant information are proposed to address regulatory requirements contained in Section 21.67.040 of the Inland Zoning Ordinance Title 21 (See also Finding 1 with relevant evidences).

- b) Any retailer operating at the site will be required to obtain a Business Permit pursuant to Chapter 7.90 of the Monterey County Code, a Business License pursuant to Chapter 7.02 of the Monterey County Code, and a retailer license from the State. These other licenses and entitlements will ensure ongoing monitoring of compliance with the plans and operational requirements on the local and State level. Failure to obtain and maintain all required permits, licenses, and entitlements may be ground for revocation of this permit.

- 6. **FINDING:** **REQUIRED SET BACKS:** - The retailer will not be located within six hundred feet from any school, public park, or drug recovery facility, or within one thousand five hundred feet of another retailer.
EVIDENCE:
 - a) The retailer will be located at 299 River Road, Salinas (Assessor's Parcel Number: 139-061-003-000).
 - b) Buena Vista Middle School is the nearest school. The school boundary is more than 6,800 feet from the proposed retailer.
 - c) Indian Springs Residential Subdivision has the nearest playground, approximately 3,400 feet from the proposed retailer.
 - d) There are no cannabis retailers located within 1,500 feet of the proposed retailer. This is the first cannabis dispensary/retailer application to be considered in the Toro Planning Area. Two other applications have been received for cannabis retailer uses in the vicinity. One application was for a dispensary near the gas station approximately 1,500 feet north of the subject site. That application was withdrawn and is no longer being pursued. An application is also pending for a cannabis dispensary at the former McShane's Nursery on Highway 68.

- 7. **FINDING:** **LESS THAN SIGNIFICANT IMPACTS:** - The retailer, as approved and conditioned, will not result in significant unavoidable impacts on the environment.
EVIDENCE:
 - a) The project would allow a commercial cannabis retailer within an existing vacant retail building. The only physical improvements would include interior tenant improvements and minor changes to the exterior, mostly cosmetic and for security purposes such as a new 8-foot high rod iron entry gate, security bars on windows fencing, stucco and paint.
 - b) As proposed and conditioned, the project can be categorically exempt from the California Environmental Quality Act (See Finding 10).

- 8. **FINDING:** **MINIMIZE NUISANCES:** - The dispensary includes adequate measures that minimize, to the extent feasible, nuisances to the immediate neighborhood and community including minimizing the detection of odor from offsite, minimizing the effects of loitering, providing adequate security measures, and not exceeding the Use Permit's limits on hours of operation.
EVIDENCE:
 - a) Plans and materials contained in the file (PLN170336) include measures to minimize nuisances within the area. A 24-hour contact will be available to address issues and concerns that may arise as a result of the operation.

- b) Odor is not currently an issue at the site; however, if it does become an issue, the applicant proposes to install air purification devices and carbon filters in the building HVAC system.
- c) Security measures and protocols are proposed that would minimize risk of theft, diversion, and loitering.
- d) Procedures are proposed to include identification of customers prior to having access to cannabis or cannabis products.
- e) The proposed hours of operation are 9:00 A.M. to 8:00 P.M (Monday-Friday), 9:00 A.M. to 6:00 P.M (Saturday) and closed on Sunday and holidays.
- f) Ongoing monitoring and inspection for compliance with the plans and regulations will be required.

9. **FINDING:** **FEDERAL COMPLIANCE** – The retailer will provide adequate measures that address the federal enforcement priorities for cannabis activities including providing for restriction on drugged driving, restricting access to minors, prohibiting use or possession of firearms for security purposes at the premises, and ensuring that cannabis and cannabis products are supplied from permitted and licensed sources.
- EVIDENCE:**
- a) Plans and materials contained in file PLN170336 include protocols to address federal enforcement priorities. All cannabis products would be packaged and labeled in accordance with Monterey County Code and State Law. The owner and all permittees would maintain clear and adequate records and documentation demonstrating that all cannabis products have been obtained from or are provided to other permitted and licensed and licensed cannabis operations. The retailer would restrict access to minors, discourage drugged driving, and prohibit security personnel from carrying a lethal weapon.
 - b) Background checks of all persons with 10 percent or more interest in the cannabis businesses will be conducted as part of the Business Licensing requirement pursuant to Chapter 7.90. Any known association with organized crime may be grounds for denial of business permits and State licenses required to operate the retailer.
 - c) Any cannabis retailer business operating at the site will be required to obtain a Business Permit pursuant to Chapter 7.90 of the Monterey County Code, a Business License pursuant to Chapter 7.02 of the Monterey County Code, and a retailer license from the State. These other licenses and entitlements will ensure ongoing monitoring of compliance with the plans and operational requirements on the local and State level.
 - d) Violations of Federal Enforcement priorities may be grounds for revocation of this permit.

10. **FINDING:** **CEQA (Exempt):** - The project is categorically exempt from environmental review and no unusual circumstances were identified to exist for the proposed project
- EVIDENCE:**
- a) California Environmental Quality Act (CEQA) Guidelines Section 15303, categorically exempts the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure.

- b) The project entails a change in commercial use within an existing 1,284 square foot commercial tenant space. Improvements are limited to interior tenant improvements and minor exterior improvements, including an 8-foot high rod iron entry gate, fencing, security bars on windows fencing, stucco and paint.
- c) None of the exceptions under CEQA Guidelines Section 15300.2 apply to this project. The project is located within an existing structure that has adequate services available to serve the proposed use. Other than new security fencing and new signs identifying the business, there are no physical changes proposed that may cause an impact to historic resources or visual resources.
- d) The applicant has proposed appropriate operational plans and details to minimize nuisances in the vicinity including odor and security measures (See the preceding Findings and Evidence).
- e) The application, project plans, and related support materials submitted by the project applicant to Monterey County RMA-Planning for the proposed development found in Project File PLN170336.

11. **FINDING:** **APPEALABILITY** - The decision on this project may be appealed to the Board of Supervisors
- EVIDENCE:**
- a) Section 21.80.040.D of the Monterey County Zoning Ordinance states that the proposed project is appealable to the Board of Supervisors.
 - b) The project is not located in the Coastal Zone.

DECISION

NOW, THEREFORE, based on the above findings and evidence, the Planning Commission does hereby:

- 1. Find the project categorically exempt pursuant to Section 15303 of the guidelines; and
- 2. Approve an Administrative Permit and Design Approval for a cannabis retailer including delivery at 299 River Road, Salinas, and subject to the attached conditions all being attached hereto and incorporated herein by reference.

PASSED AND ADOPTED this 10th day of July, 2019 upon motion of _____, seconded by _____, by the following vote:

AYES:
 NOES:
 ABSENT:
 ABSTAIN:

 Brandon Swanson, Planning Commission Secretary

COPY OF THIS DECISION MAILED TO APPLICANT ON

THIS APPLICATION IS APPEALABLE TO THE BOARD OF SUPERVISORS.

IF ANYONE WISHES TO APPEAL THIS DECISION, AN APPEAL FORM MUST BE COMPLETED AND SUBMITTED TO THE CLERK TO THE BOARD ALONG WITH THE APPROPRIATE FILING FEE ON OR BEFORE [DATE]

This decision, if this is the final administrative decision, is subject to judicial review pursuant to California Code of Civil Procedure Sections 1094.5 and 1094.6. Any Petition for Writ of Mandate must be filed with the Court no later than the 90th day following the date on which this decision becomes final.

NOTES

1. You will need a building permit and must comply with the Monterey County Building Ordinance in every respect.

Additionally, the Zoning Ordinance provides that no building permit shall be issued, nor any use conducted, otherwise than in accordance with the conditions and terms of the permit granted or until ten days after the mailing of notice of the granting of the permit by the appropriate authority, or after granting of the permit by the Board of Supervisors in the event of appeal.

Do not start any construction or occupy any building until you have obtained the necessary permits and use clearances from Monterey County RMA-Planning and RMA-Building Services Department office in Salinas.

2. This permit expires 3 years after the above date of granting thereof unless construction or use is started within this period.

Monterey County RMA Planning

DRAFT Conditions of Approval/Implementation Plan/Mitigation Monitoring and Reporting Plan

PLN170336

1. PD001 - SPECIFIC USES ONLY

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: This Administrative Permit and Design Approval (PLN) allows cannabis retail business. The property is located at 299 River Road, Salinas (Assessor's Parcel Number 139-061-003-000), Toro Area Plan. This permit was approved in accordance with County ordinances and land use regulations subject to the terms and conditions described in the project file. Neither the uses nor the construction allowed by this permit shall commence unless and until all of the conditions of this permit are met to the satisfaction of the Director of RMA - Planning. Any use or construction not in substantial conformance with the terms and conditions of this permit is a violation of County regulations and may result in modification or revocation of this permit and subsequent legal action. No use or construction other than that specified by this permit is allowed unless additional permits are approved by the appropriate authorities. To the extent that the County has delegated any condition compliance or mitigation monitoring to the Monterey County Water Resources Agency, the Water Resources Agency shall provide all information requested by the County and the County shall bear ultimate responsibility to ensure that conditions and mitigation measures are properly fulfilled. (RMA - Planning)

Compliance or Monitoring Action to be Performed: The Owner/Applicant shall adhere to conditions and uses specified in the permit on an ongoing basis unless otherwise stated.

2. PD002 - NOTICE PERMIT APPROVAL

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: The applicant shall record a Permit Approval Notice. This notice shall state:
"An Administrative Permit and Design Approval (Resolution Number ***) was approved by Planning Commission for Assessor's Parcel Number 139-061-003-000 on July 10th, 2019. The permit was granted subject to 12 conditions of approval which run with the land. A copy of the permit is on file with Monterey County RMA - Planning."

Proof of recordation of this notice shall be furnished to the Director of RMA - Planning prior to issuance of grading and building permits, Certificates of Compliance, or commencement of use, whichever occurs first and as applicable. (RMA - Planning)

Compliance or Monitoring Action to be Performed: Prior to the issuance of grading and building permits, certificates of compliance, or commencement of use, whichever occurs first and as applicable, the Owner/Applicant shall provide proof of recordation of this notice to the RMA - Planning.

3. PDSP001-OPERATIONAL COMPLIANCE INSPECTIONS

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: The owner and permittees shall allow access to the premises and access to records if requested by the County, its officers, or agents, and shall pay for an annual inspection and submit to inspections from the County or its officers to verify compliance with all relevant rules, regulations, and conditions.

Compliance or Monitoring Action to be Performed: Ongoing during cannabis operations. The owner and/or permittee shall allow access to the site if requested by the County and pay any required inspection fees.

4. PDSP002 – INSPECTION OF RECORDS

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: The applicant, owner, and permittees agree to submit to and pay for, inspection of the operations and relevant records or documents necessary to determine compliance with Chapter 21/20.67 from any enforcement officer of the County or their designee.

Compliance or Monitoring Action to be Performed: On-going during cannabis operations. The owner and/or permittee shall allow access to cannabis business records and pay any required inspection fees.

5. PDSP003 – COMMERCIAL CANNABIS PERMIT

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: Any person, business, or entity operating a commercial cannabis activity on the property shall obtain a valid and fully executed Commercial Cannabis Business Permit pursuant to Chapter 7.90 of the Monterey County Code prior to commencing commercial cannabis activities at the site and must maintain such permits in good standing in order to continue operations.

Compliance or Monitoring Action to be Performed: Within 90 days of approval of a Use Permit/Coastal Development Permit, the person, business, and/or entities operating commercial cannabis activities shall obtain all required Commercial Cannabis Business Permits.

6. PDSP004 – GROUNDS FOR REVOCATION

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: The property owner shall be responsible for ensuring that all commercial cannabis activities at the site operate in good standing with all permits and licenses required by the Monterey County Code and State law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial cannabis activities at the site who do not maintain permits and licenses in good standing with the County and State shall be grounds for the suspension or revocation of this permit.

Compliance or Monitoring Action to be Performed: On-going during cannabis operations at the site. The owner shall ensure that all commercial cannabis operations have obtained and maintain all required permits, licenses, and entitlements or take appropriate actions to evict operators who do not maintain appropriate permits, licenses, and entitlements.

7. PDSP005 – COMPLIANCE WITH OPERATIONS PLANS

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: The commercial cannabis activities shall be maintained in accordance with the operation plans approved by the County.

Compliance or Monitoring Action to be Performed: On-going during cannabis operations. Cannabis activities shall comply with the operations plans attached to this permit and as may be approved under a Commercial Cannabis Business Permit.

8. PDSP006 – ODOR CONTROL

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: The property owner shall ensure that any cannabis business operating on-site confirms to Section 7.90.100.A.8 of the Monterey Code, as may be amended. Odor prevention devices and techniques, such as ventilation system with a carbon filter, shall be incorporated to ensure that odors from cannabis are not detectable off-site.

Compliance or Monitoring Action to be Performed: Prior to issuance of Commercial Cannabis Business Permits, the owner/applicants shall provide plans and information to the satisfaction of the Chief of Planning, describing how odors will be controlled and how the odor control devices will be maintained.

Odor prevention devices shall be maintained in accordance with approved odor control plans during the life of the operations.

9. PW0045 – COUNTYWIDE TRAFFIC FEE

Responsible Department: RMA-Public Works

Condition/Mitigation Monitoring Measure: Prior to issuance of building permits, the Owner/Applicant shall pay the Countywide Traffic Fee or the ad hoc fee pursuant to General Plan Policy C-1.8. The fee amount shall be determined based on the parameters in the current fee schedule.

Compliance or Monitoring Action to be Performed: Prior to issuance of Building Permits, the Owner/Applicant shall pay Monterey County RMA Building Services the traffic mitigation fee. The Owner/Applicant shall submit proof of payment to the Development Services.

10. EHSP01 – DEED RESTRICTION: FUTURE ONSITE WASTEWATER TREATMENT SYSTEM REQUIREMENTS (NON-STANDA

Responsible Department: Health Department

Condition/Mitigation Monitoring Measure: Owner shall record a deed restriction indicating that any future replacement or expansion of the existing onsite wastewater treatment system on the property may require the installation and ongoing use of an alternative onsite wastewater treatment system. The Property shall be subject to any and all applicable federal, state and/or local laws, regulations and ordinances in effect at the time of permit issuance regarding the permitting, operation and maintenance or monitoring of onsite wastewater treatment systems. The single exception to this term is that an alternative onsite wastewater treatment system will be subject to an annual operating permit from the Monterey County Health Department, Environmental Health Bureau upon adoption of any State or regional regulations and/or any local ordinance authorizing such a permit. Owner agrees to disclose the contents of the Deed Restriction to any potential purchaser of the subject Property and to any person or entity to whom the Property herein described shall be conveyed. Owner is responsible to reimburse EHB for costs associated with preparation of the Deed Restriction. (Environmental Health)

Compliance or Monitoring Action to be Performed: Prior to issuance of CNB, the applicant shall provide a legal description for the parcel and a copy of the Grant Deed to the Environmental Health Bureau (“EHB”). The EHB will prepare the deed restriction form.
The property owner shall sign and notarize the deed restriction form obtained from the EHB. Record the notarized deed restriction with the Monterey County Recorder. Proof of recordation shall be provided to the EHB.

11. CC01 INDEMNIFICATION AGREEMENT

Responsible Department: County Counsel-Risk Management

Condition/Mitigation Monitoring Measure: The property owner agrees as a condition and in consideration of approval of this discretionary development permit that it will, pursuant to agreement and/or statutory provisions as applicable, including but not limited to Government Code Section 66474.9, defend, indemnify and hold harmless the County of Monterey or its agents, officers and employees from any claim, action or proceeding against the County or its agents, officers or employees to attack, set aside, void or annul this approval, which action is brought within the time period provided for under law, including but not limited to, Government Code Section 66499.37, as applicable. The property owner will reimburse the County for any court costs and attorney's fees which the County may be required by a court to pay as a result of such action. The County may, at its sole discretion, participate in the defense of such action; but such participation shall not relieve applicant of his/her/its obligations under this condition. An agreement to this effect shall be recorded upon demand of County Counsel or concurrent with the issuance of building permits, use of property, filing of the final map, recordation of the certificates of compliance whichever occurs first and as applicable. The County shall promptly notify the property owner of any such claim, action or proceeding and the County shall cooperate fully in the defense thereof. If the County fails to promptly notify the property owner of any such claim, action or proceeding or fails to cooperate fully in the defense thereof, the property owner shall not thereafter be responsible to defend, indemnify or hold the County harmless. (County Counsel-Risk Management)

Compliance or Monitoring Action to be Performed: Upon demand of County Counsel or concurrent with the issuance of building permits, use of the property, recording of the final/parcel map, or recordation of Certificates of Compliance, whichever occurs first and as applicable, the Owner/Applicant shall submit a signed and notarized Indemnification Agreement to the Office of County Counsel-Risk Management for review and signature by the County.

Proof of recordation of the Indemnification Agreement, as outlined, shall be submitted to the Office of County Counsel-Risk Management

12. PWSP001 - OFF-SITE IMPROVEMENTS

Responsible Department: RMA-Public Works

Condition/Mitigation Monitoring Measure: Owner/Applicant shall purchase and install a Rectangular Rapid Flashing Beacon at the crosswalk (intersection of River Road and Enos Drive), and as identified in Exhibit "B" of the applicant's letter dated June 6, 2019 to Monterey County Planning Services . The design and construction shall conform to applicable requirements and standards, and is subject to the approval of the RMA-Public Works & Facilities (RMA-PWF). Encroachment Permits are required for all work within the public right-of-way.

Compliance or Monitoring Action to be Performed: Owner/Applicant shall submit improvement plans prepared by a licensed engineer/contractor for review and approval of the RMA-PWF. Obtain an encroachment permit from the RMA prior to issuance of building permit and construct/complete all offsite improvements prior to commencement of use. Applicant is responsible to obtain all permits and environmental clearances.

SYMBOL KEY

- NEW STAMPED CONCRETE PAVING
- NEW PERMEABLE (PERVIOUS) INTERLOCKING PAVERS
- EXISTING AC
- PROPERTY LINE
- EXISTING FENCE
- EXISTING SEPTIC PIPE
- REPLACEMENT SEPTIC SEEPAGE PIT

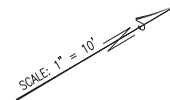
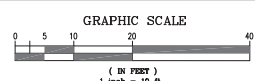
- 4" DIA SOLID PVC DRAIN PIPE TO DISPERSAL TRENCH
- 4" DIA PERF. PVC UNDER PAVER DRAIN PIPE TO SOLID PIPE COLLECTOR
- SPOT GRADE
- NEW 6" REDWOOD SEPARATION FENCE
- NATURAL NATIVE GRASSES

INFORMATION LEGEND

1. GENERAL PLAN LAND USE: F/40 D
2. ZONING DESIGNATION: LIGHT COMMERCIAL (LC)
3. AREAS EXISTING HOUSE: 1209 SF
4. EXISTING COMMERCIAL BUILDING: 1284 SF
5. TOTAL BUILDING AREA: 2493 SF
6. PARCEL AREA: 16,552 SF
7. FLOOR AREA RATIO (FAR) = 15%
8. OPENING VOLUME: 0 CFS
9. TREE REMOVAL: NO TREES TO BE REMOVED
10. IMPERVIOUS COVERAGE: SEE STORMWATER DRAINAGE CALCULATIONS AND ASSUMPTIONS, BELOW.
11. REQUIRED AND PROPOSED PARKING COUNTS: SEE PARKING, BELOW.
12. WATER SERVICE: CAL. AM.
13. SEWER DISPOSAL: EXISTING ON SITE SEPTIC SYSTEMS.
14. WETLANDS, STREAMS, CREEKS: NONE
15. LANDSCAPING - NATURAL GRASSES, NO SIGNIFICANT LANDSCAPING, NO IRRIGATION.

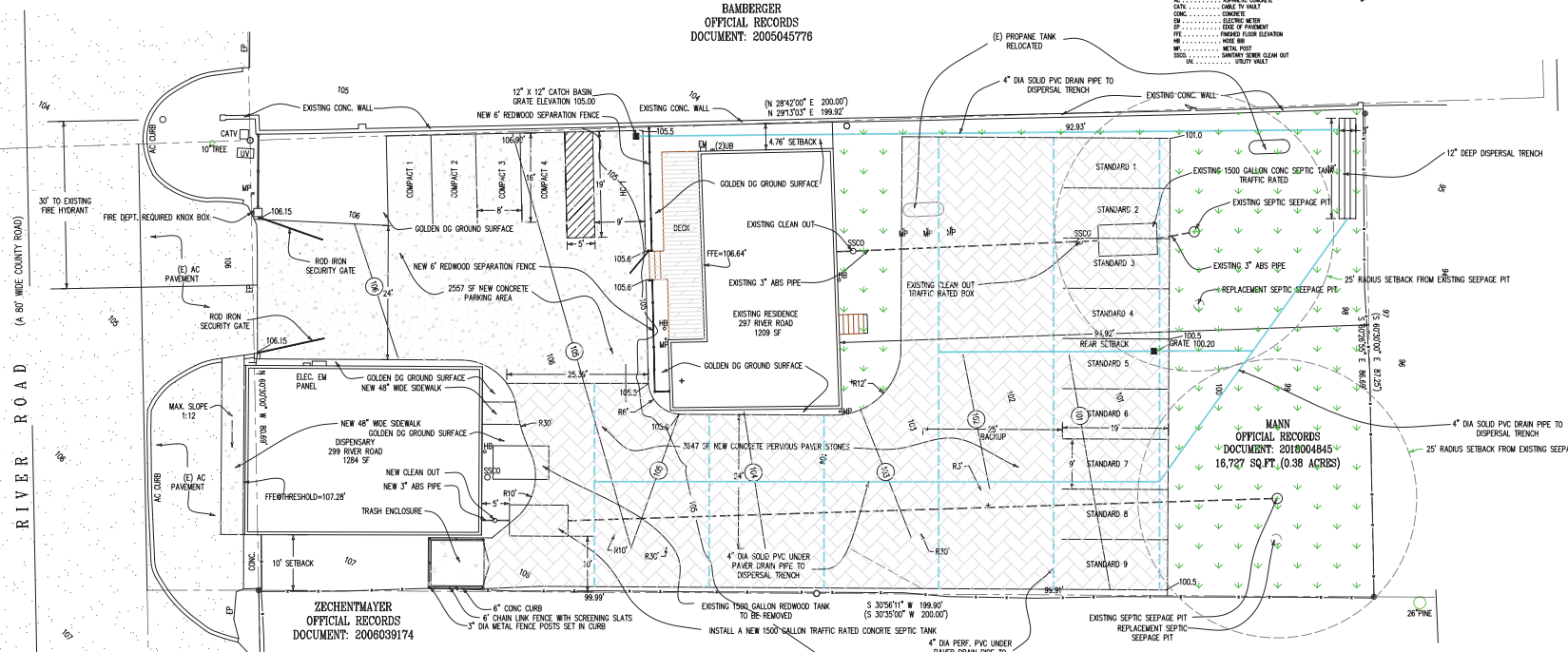
NOTES

1. BOUNDARY LOCATIONS SHOWN HEREIN WERE DETERMINED BY THE SURVEY OF A FEW SURVEY STATIONARY BY RECORD DATA. A RECORD OF SURVEY WILL BE FILED WITH THE COUNTY OF MERCED PURSUANT TO THE RECORDING ACT.
2. DISTANCES SHOWN ARE IN FEET AND DECIMALS THEREOF.
3. THIS PROPERTY MAY BE AFFECTED BY EASEMENTS THAT ARE NOT SHOWN ON THIS MAP.
4. CONTOUR INTERVAL = 1 FOOT.
5. ELEVATIONS SHOWN ARE BASED ON MGS-88 DATUM. THE RECORDING OF THIS MAP DOES NOT CONSTITUTE A GUARANTEE OF ACCURACY.
6. IF LOCATIONS ARE FOUND TO BE NOT SHOWN, THE RECORDING OF THIS MAP DOES NOT CONSTITUTE A GUARANTEE OF ACCURACY.
7. IF LOCATIONS ARE FOUND TO BE NOT SHOWN, THE RECORDING OF THIS MAP DOES NOT CONSTITUTE A GUARANTEE OF ACCURACY.
8. TREE TYPES ARE INDICATED BY THEIR COMMON NAMES. DIMENSIONS OF TREES ARE SHOWN IN INCHES.



BAMBERGER OFFICIAL RECORDS DOCUMENT: 2005045776

- LEGEND**
- TREE LINE
 - AC ASPHALT CONCRETE
 - CC CONCRETE
 - CM COMPACTED METAL
 - EM EDGE OF PAVEMENT
 - EP EXISTING PERVIOUS INTERLOCKING PAVERS
 - HP HOLES
 - MP METAL POST
 - SSO SANITARY SEWER CLEAN OUT
 - ST STREET LIGHT



ZECHENTMAYER OFFICIAL RECORDS DOCUMENT: 2006039174

STORMWATER DRAINAGE CALCULATIONS AND ASSUMPTIONS

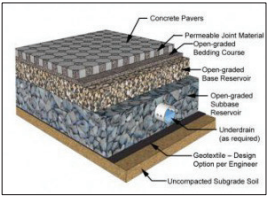
1. PRE-DEVELOPMENT CONDITIONS: EXISTING HOUSE AND COMMERCIAL BUILDING ROOF AREA = 2493 SF. EXISTING CONNECTED IMPERVIOUS PARKING AREA = 2557 SF. TOTAL IMPERVIOUS AREA = 0.13 ACRES. TOTAL SITE AREA = 0.38 ACRES. EXISTING PERVIOUS LANDSCAPING AREA = 0.25 ACRES.
 2. POST-DEVELOPMENT CONDITIONS: EXISTING HOUSE AND COMMERCIAL BUILDING ROOF AREA = 2493 SF. NEW CONCRETE PARKING AREA = 2557 SF. TOTAL IMPERVIOUS AREA = 0.13 ACRES. NEW PERVIOUS LANDSCAPING AREA = 0.25 ACRES. TOTAL PERVIOUS AREA = 0.25 ACRES.
- PRECIPITATION RAINFALL = POSTDEVELOPMENT RAINFALL.
- ROADWAY C = 10 MPH
- ROADWAY IMPERVIOUS COEFFICIENT = .90
- ROADWAY PERVIOUS COEFFICIENT = .30
- OVERALL C = $(.90 \times .27) + (.30 \times .73) = .47$
- For 25 year storm - peak 25.1 = 1.13(26) = 29.2 inches/year
- Channel 36 inches/year for 2 year 1 hour storm
- Q_{ave} = Q_{peak} = Q_A = $(47)(40)(30) = 11$ CFS
- NO RETENTION OR RETENTION REQUIRED
- SELECT ALL STORM WATER FROM ROOF TO OUTLET/DOWNSLOPE SYSTEM THEN TO DISPERSION TRENCH AT REAR OF PROPERTY.
- SELECT ALL STORM WATER FROM CONCRETE PARKING AREA TO CATCH BASIN THEN TO DISPERSION TRENCH AREA AT REAR OF PROPERTY.
- SELECT ALL STORM WATER COLLECTED UNDER PERVIOUS PAVERS TO DISPERSION TRENCH AT REAR OF PROPERTY.

PARKING

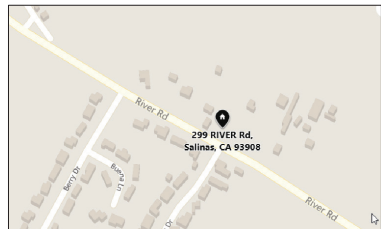
- REQUIRED PARKING: RESIDENCE 2 SPACES / 1 PER 250 SF = 5.16 = 6 ADA REQUIRED AC = 4 TOTAL REQUIRED 9 PARKING SPACES
- ACTUAL INSTALLED PARKING SPACES: 9 STANDARD 1 1 HC 4 COMPACT 4 TOTAL 14 PARKING SPACES

SEPTIC SYSTEMS

- EXISTING SEPTIC SYSTEMS: RESIDENCE 2. EXISTING 1500 GALLON CONCRETE SEPTIC TANK CONNECTED TO EXISTING 3" DIA SEPTIC PIPE.
- FUTURE REPLACEMENT EFFLUENT DISPOSAL SYSTEM: 1. REPLACE EXISTING SEPTIC PIT WITH NEW 48" DIA X 36" DEEP SEPTIC PIT TO PROMOTE 1000 SF OF SEEPAGE AREA. THIS OPTION WILL REQUIRE SUPPLEMENTAL TRENCHING.
2. OR, REPLACE EXISTING SEPTIC PIT WITH NEW SHALLOW TRENCH SYSTEM PROMOTING 1000 SF OF SEEPAGE AREA. THIS OPTION WILL REQUIRE RECORDATION OF SEPTIC TANK.
- AREA CALCULATION: 4 PERIODS X 75 GAL/DAY = 300 GAL/DAY @ 0.45/25/DAY = 1000 SF OF SEEPAGE AREA
- COMMERCIAL BUILDING: EXISTING 1500 GALLON REDWOOD SEPTIC TANK TO BE REPLACED BY NEW MANHOLE 1000 GALLON CONCRETE TANK CONNECTED TO EXISTING 3" DIA SEPTIC PIPE.
- FUTURE REPLACEMENT EFFLUENT DISPOSAL SYSTEM: 1. REPLACE EXISTING SEPTIC PIT WITH NEW 48" DIA X 36" DEEP SEPTIC PIT TO PROMOTE 1000 SF OF SEEPAGE AREA. THIS OPTION WILL REQUIRE SUPPLEMENTAL TRENCHING.
2. OR, REPLACE EXISTING SEPTIC PIT WITH NEW SHALLOW TRENCH SYSTEM PROMOTING 1000 SF OF SEEPAGE AREA.
- AREA CALCULATION: 4 PERIODS X 75 GAL/DAY = 300 GAL/DAY @ 0.45/25/DAY = 1000 SF OF SEEPAGE AREA



PERVIOUS PAVER SYSTEM



VICINITY MAP

FUTURE REPLACEMENT SEPTIC SYSTEMS TO BE ALTERNATIVE OWTS TYPE, WITH THE INSTALLATION OF NEW SEEPAGE PITS IN LIEU OF SEPTIC TRENCHES. ALTERNATIVE OWTS SYSTEMS REQUIRE A DEED RESTRICTION TO BE RECORDED ON THE PROPERTY. THIS NOTIFICATION SHALL RUN WITH THE LAND AND WILL ACT AS CONSTRUCTIVE NOTICE TO PRESENT AND FUTURE OWNERS THAT THE PROPERTY WILL REQUIRE AN ONGOING ANNUAL ALTERNATIVE ONSITE WASTEWATER TREATMENT SYSTEM. PROPERTY OWNER TO OBTAIN THE PROPERTY'S DEED AND LEGAL PROPERTY DESCRIPTION (GRANT DEED) FROM THE RECORDER'S OFFICE AND SUBMIT TO THE ENVIRONMENTAL HEALTH DEPARTMENT TO PREPARE DEED RESTRICTION.

MJM
Michael James Martin
Civil Engineering
400 Foam Street, Suite 200B
Monterey, California, 93940
Office 831.601.9818

River Road Dispensary

299 River Road
Salinas
California
139-061-003-000

DATE: 12 November 2018

REVISIONS:

**Site Plan
Drainage Plan
Septic Plan
Parking Plan**

SCALE: 1" = 10'

DRAWN BY:

CHECKED BY:

JOB NO.:

SHEET NO. C-1


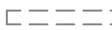
The site plan drawings, utility easements measurements and data including all other figures and quantities are AS SHOWN.

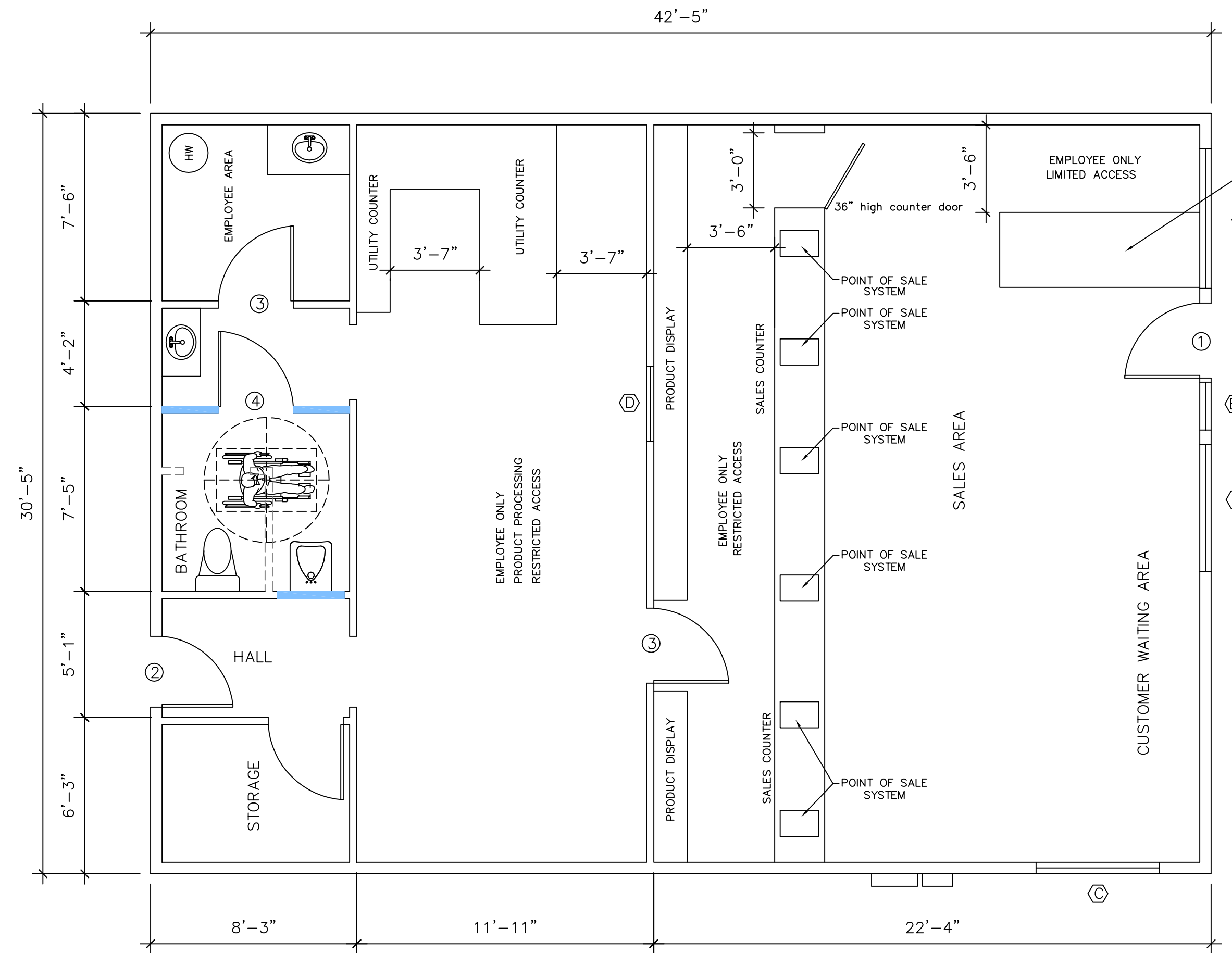
The use of these plans and specifications is restricted to the original site for which they were prepared.

All drawings and written material appearing hereon constitute the original and complete work of MJM and its team and no part hereof shall be used or reproduced without written consent of MJM.

Michael James Martin Engineering

WALL CONSTRUCTION OR DEMO SCHEDULE

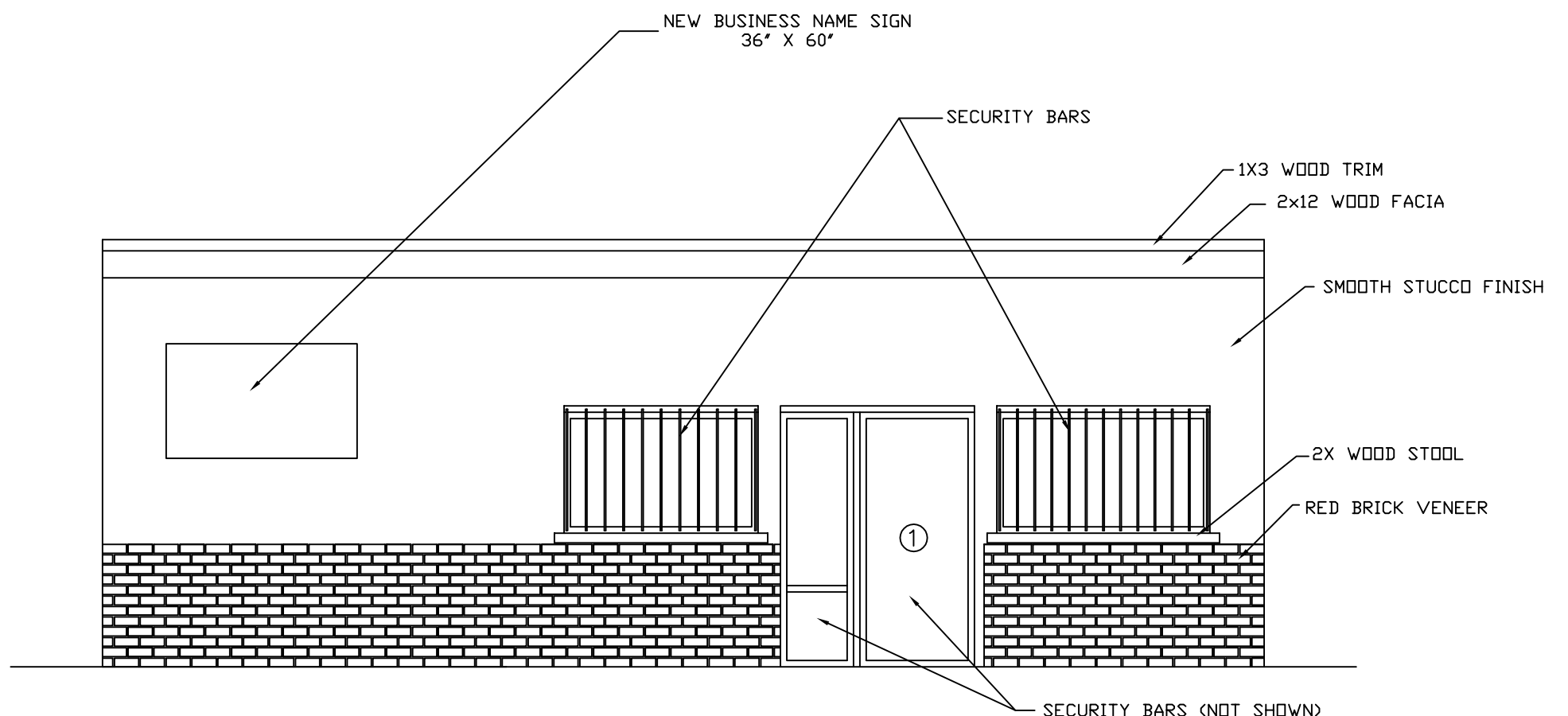
NEW WALL OR INFILL 
 WALL REMOVED 



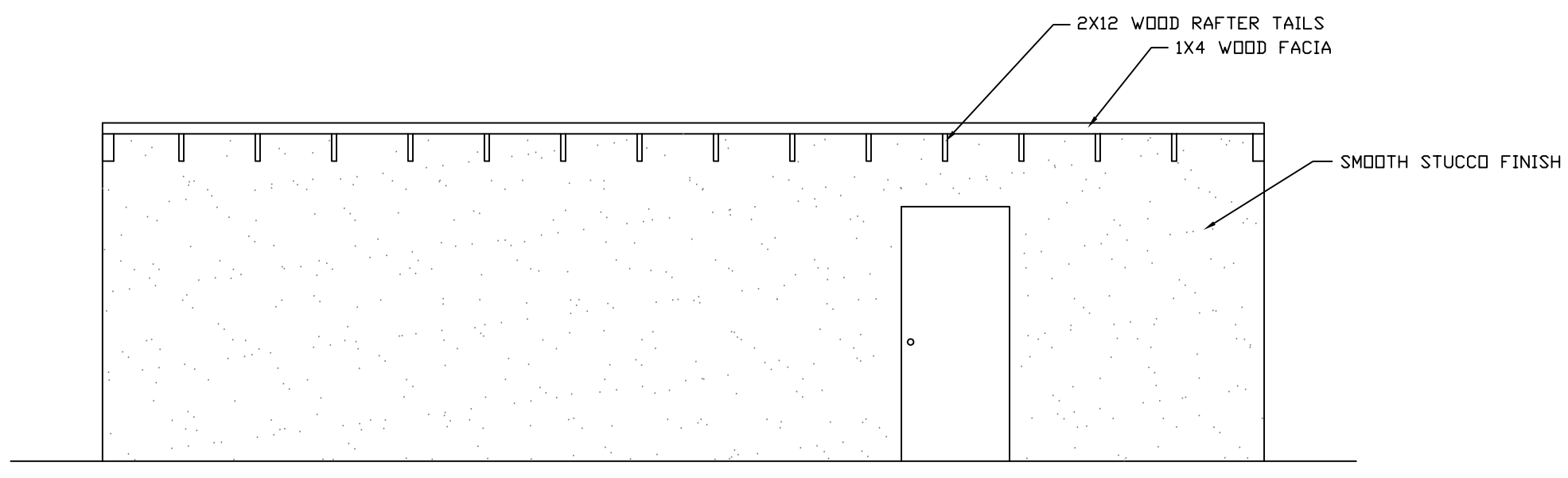
DOOR SCHEDULE #							
	NO.	TYPE	NO.	SIZE w x h	MATERIAL	SECURITY BARS	TEMPERED
EXISTING	1	EXTERIOR	1	3'-0" X 6'-8"	METAL/GLASS	YES	YES
EXISTING	2	EXTERIOR	1	3'-0" X 6'-8"	EXTERIOR WOOD CLAD	NO	
EXISTING	3	INTERIOR	5	3'-0" X 6'-8"	INTERIOR WOOD SOLID CORE	NO	
NEW	4	INTERIOR	1	3'-0" X 6'-8"	INTERIOR WOOD SOLID CORE	NO	

WINDOW SCHEDULE							
	ITEM	TYPE	NO.	SIZE / MATERIAL w x h	TEMPERED	SCREEN	SECURITY BARS
EXISTING	A	CASEMENT	1	5'-7" X 3'-2"	YES	YES	YES
EXISTING	B	DOOR SIDE LIGHT	1	2'-0" X 6'-8"	YES	NO	YES
EXISTING	C	CASEMENT	2	5'-0" X 3'-2"	YES	YES	YES
NEW	D	SOLID ONE WAY	1	3'-0" X 3'-0"	YES	NO	YES

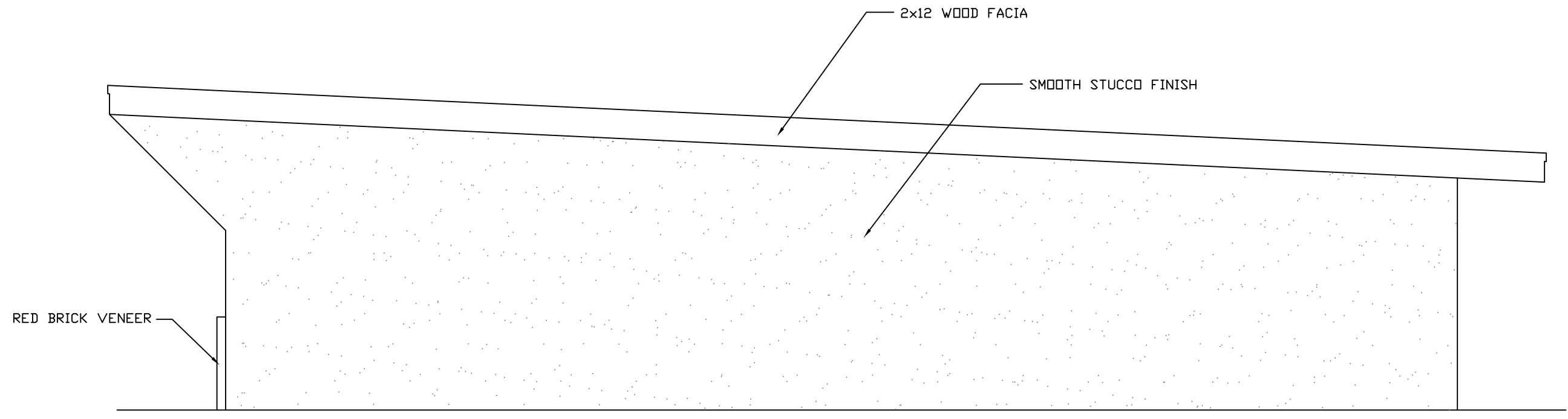
Floor Plan



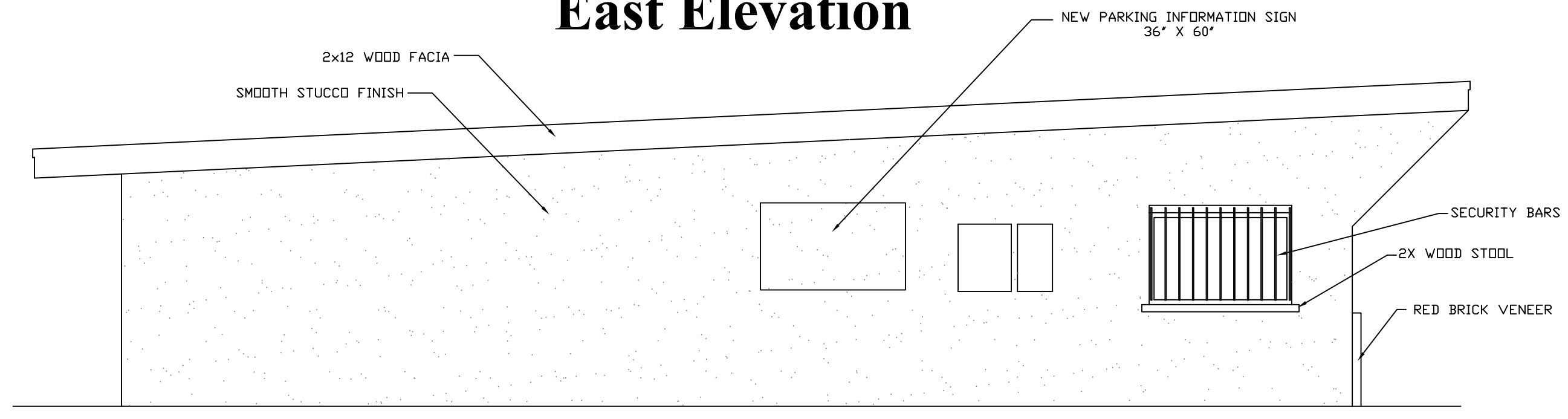
South Elevation



North Elevation



East Elevation



West Elevation

MJM
 Michael James Martin
 Civil Engineering
 400 Foam Street, Suite 200B
 Monterey, California. 93940
 Office 831.601.9818
**River Road
 Dispensary**

299 River Road
 Salinas
 California
 139-061-003-000

DATE: 12 November 2018

REVISIONS:

Floor Plans & Elevations

SCALE: 1/4" = 1'-0"

DRAWN BY:

CHECKED BY:

JOB NO.:

SHEET NO.: **A-1**

Do not scale drawings. Verify dimensions measurements and data at building or site. Report and questions to MJM.
 The use of these plans and specifications is restricted to the original site for which they were prepared.
 All drawings and written material appearing here in constitute the original and unpublished work of MJM and the same may not be duplicated, used or disclosed without written consent of MJM.
 Michael James Martin Engineering

Title of SOP: Hours of Operation

Original: Yes No Revision: Yes No Revision No.: 1

Related SOPs:

Administration 8.00

Responsibility:

The owner and dispensary manager is responsible for this procedure.

Purpose:

The purpose of this standard operating procedure is to establish the operating hours during the week that the dispensary is open for business.

Equipment/Supplies/Software Required:

Front door sign

Explanation:

Hours of Operation: Dispensary's hours of operation is the following:

Note: Monterey County limits the hours of operation for a retail facility to begin no earlier than 8:00a.m. and to end no later than 8:00p.m

In-Store hours:

Monday thru Friday: 9am – 8pm
Saturday: 9am – 6pm
Sunday: Closed
Holidays: Closed

Delivery hours:

Monday thru Friday: 9am – 8pm
Saturday: 9am – 6pm
Sunday: Closed
Holidays: Closed

Approved by Lawrence Mann Date 06-17-2019
Implemented by Lawrence Mann Date _____

Title of SOP: Dispensary Delivery Procedures

Original: Yes No Revision: Yes No Revision No.: _____

Related SOPs:

Dispensary Software Programs 7.00; Metrc Track and Trace 7.40

Responsibility:

The owner and dispensary manager is responsible for this procedure.

Purpose:

The purpose of this standard operating procedure is to establish and maintain Delivery procedures for employees (delivery drivers) of the Dispensary

Equipment/Supplies/Software Required:

BioTrackTHC POS Terminals; Dell Server/workstations; Metrc (government contracted traceability system in California); documentation includes dispensary licenses, permits, employee drivers licenses, delivery requests, auto vehicles, Detrack software application for scheduling deliveries and Geotracking.

Explanation:

Procedures and Required Documents for Delivery Drivers:

All employees of the dispensary delivering cannabis or cannabis products shall:

- Utilize the Detrack software applications platform for scheduling deliveries and Geotracking
- Make deliveries between the hours of 11am and 8pm Monday thru Saturday, no deliveries on Sunday.
- Use their own personally insured vehicles to make deliveries. (proof of auto insurance and minimum coverage will be required)
- Return any unsold cannabis or cannabis products back to the dispensary same day or if dispensary is closed, next day within 24 hours (unsold cannabis will be monitored using the BiotrackTHC track and trace system)
- Require a customer's driver license or governmental ID as proof of minimum age and to verify same person who placed the online order.
- Require a customer signature on the delivery request acknowledging receipt and quantity of product(s) customer received.
- Charge the customer's credit or debit card for the products received. Alternately cash is an acceptable form of payment and the transaction must be documented as paid by cash. All payment transactions whichever type will utilize the BiotrackTHC Point of Sale hand held wireless remote Terminals for proper payment and product accountability.
- Carry a copy of the following documentation when making deliveries.
 - a. A copy of the dispensary's retailer's current permits, licenses, and entitlements authorizing them to provide delivery services;
 - b. The employee's government-issued identification;
 - c. A copy of the delivery request;
 - d. Chain of custody records for all goods being delivered. (provided by BiotrackTHC track and trace)
 (This information shall be provided upon request to law enforcement officers and to employees of state)

Approved by Lauren Ma Date 01-05-2019
Implemented by _____ Date _____

Title of SOP: Security

Original: Yes No Revision: Yes No Revision No.: One (1)

Related SOPs:

Administration 8.00

Introduction:

We understand that security is of paramount importance. We are keenly aware of the added security challenges that an operation of this nature faces, and we have taken extensive measures to have professionally-vetted policies, procedures, and systems in place to provide comprehensive protection, not only for our cannabis facility, but also for our employees, customers, and the surrounding public. Our security will meet or exceed the requirements of Monterey County.

The security and safety of the Cannabis Business's customers, staff, and surrounding public is crucial to the operational goal of providing cannabis within a safe and healthy environment.

Responsibility:

We will, at all times, have one or more designated Manager(s), sometimes referred to On-Site Designated Representatives, as the Cannabis Business's agent in charge of security.

The On-Site Designated Representative will have oversight responsibility for the implementation of this Security Plan. As the person responsible for implementation, the On-Site Designated Representative also will serve as a liaison with law enforcement, as may be required.

Our Security Plan is divided into two components: Facility Security and Operations Security.

The preventive measures adopted in these components will minimize our security exposure; protect the public, our customers, and our staff. We also are confident that, should there be any breach of security, our comprehensive response capabilities will ensure the incident is quickly detected, contained, and resolved at the appropriate response level.

Purpose:

The purpose of this standard operating procedure is to establish and maintain security requirements in and around the retail facility. This plan addresses and meets the requirements of the Monterey County Code of Ordinances, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), California Code of Regulations Title 3, Division 8, Chapter 1; Title 16, Division 42; and Title 17, Division 1, Chapter 13, and any other state and local laws as applicable.

FACILITY SECURITY

The security at the facility is designed to reduce the likelihood of security breaches and to trigger an immediate response in the event of a breach. In addition, it is designed to control access to the Cannabis Business by limiting it to authorized and properly identified personnel.

The facility security will include:

Limited Hours

We understand that the State regulations allow retailers to sell and deliver cannabis goods between the hours of 6:00 a.m. Pacific Time and 10:00 p.m. Pacific Time. We further understand that the *Monterey County Code of Ordinances* allows Cannabis Businesses to be open from 8:00 AM to 8:00 PM. To comply with the laws and regulations of the State and City, our retail premises will be open from 10:00 A.M. to 7:00 P.M. on Monday – Friday and 10:00 A.M. to 6:00 PM on Saturday. The facility will be closed to the public on Sundays.

Limited Access to Each Facility

We will prevent access to the by unauthorized personnel and protect the physical safety of employees by, among other things:

1. Establishing physical barriers to secure perimeter access and all points of entry into the facility (such as locking primary entrances with commercial-grade, non-residential door locks, providing fencing and cast-iron electronic gates around the grounds, driveway, and any secondary entrances including windows, roofs, or ventilation systems);
2. Installing a security alarm system to notify and record incident(s) where physical barriers have been breached;
3. Establishing an identification and sign-in/sign-out procedure for authorized personnel, suppliers, and/or visitors;
4. Maintaining the premises such that visibility and security monitoring of the premises is possible; and
5. Establishing procedures for the investigation of suspicious activities.

Restricted access area(s) will be identified by the posting of a sign that shall be a minimum of 12" x 12" and that states "Do Not Enter – Restricted Access Area – Access Restricted to Authorized Personnel Only" in lettering no smaller than one inch in height.

Camera and Recording System

The facility will be equipped with, and at all times be monitored by, a web-based closed-circuit television for security purposes. The camera and recording system will be of adequate quality, color rendition and resolution to allow the ready identification of any individual committing a crime anywhere on or adjacent to the Cannabis Business's premises. The system will be fully functional 24 hours 7 days a week.

We will have a complete digital video surveillance system with a minimum camera resolution of 1280 × 720 pixels. The video surveillance system will be able to effectively and clearly record images of the area under surveillance. The surveillance system will record continuously 24 hours per day and at a minimum of 15 frames per second.

All recording and monitoring equipment will be located in secure rooms or areas of the premises in an access-controlled environment.

All surveillance recordings will be kept on the licensee's recording device for a minimum of ninety (90) days¹.

To the extent reasonably possible, all video surveillance cameras will be installed in a manner that prevents intentional obstruction, tampering with, and/or disabling.

Areas that will be recorded on the video surveillance system include, but are not limited to, the following:

1. Areas where cannabis or cannabis products are weighed, packed, stored, quarantined, loaded and/or unloaded for transportation, prepared, or moved within the premises;
2. Limited-access areas;
3. Security rooms;
4. Areas containing surveillance-system storage devices, in which case, at least one camera will record the access points to such an area; and
5. The interior and exterior of all entrances and exits to the premises.

The video recordings will display the current date and time of recorded events. Time is to be measured in accordance with the U.S. National Institute Standards and Technology standards. The displayed date and time will not significantly obstruct the view of recorded images.

Electronic Back-Up

We will secure and back up electronic records in a manner that prevents unauthorized access and that ensures the integrity of the records is maintained.

¹ The recordings of the monitoring will be maintained for a period ninety (90) days even though the *Monterey County Code of Ordinances* requires thirty (30) days of recordings.

Centrally monitored Fire and Burglar Alarm System

The facility will comply with all local fire code requirements.

The facility will have a centrally monitored fire and burglar alarm system. This system will be fully functional at all times and prior to processing or cultivating cannabis at the Cannabis Business facility, should that occur. At a minimum, this alarm will cover the perimeter of the Cannabis Business and will focus on those areas where cannabis is stored, packaged and/or dispensed.

This alarm system will be monitored by a professional alarm company, at all times.

These alarm systems will be routinely inspected to ensure that they are functioning properly.

A duress alarm, panic button and alarm, holdup alarm or after hours intrusion detection alarm that by design and purpose will directly or indirectly notify, the law enforcement agency having primary jurisdiction.

Exterior Lighting and Public Exposure

Statistics show that crimes are less likely to occur in well-lit areas, because a well-lighted property is an excellent deterrent against criminals. Security lighting is one of the most practical and effective ways to prevent crime in or around commercial facilities.

The main objectives of our security lighting system are to illuminate dark areas and detect and recognize movement in the protected area. The best vision with outdoor lighting is obtained from downward directed and shielded security lighting that is constantly on, supplemented with instant-on lighting triggered by motion detectors.

Exterior lighting at the facility and parking area lighting for the facility will be balanced and will not result in a glare on adjoining properties, will complement the security systems described above to ensure that all areas of the Cannabis Business are visible, and will provide increased lighting at all entrances to the facility. The exterior lighting will be turned on from dusk to dawn.

No cannabis or any product containing cannabis, or paraphernalia will be visible from the exterior of the facility.

Storage of Cannabis and Records

The Cannabis Business will maintain, at the facility, a fireproof safe for the storage of all records and documents.

A large secure safe room for cannabis and cannabis products will be steel-plated and located in the back of the dispensary for authorized employee accessibility and away from customer access. When the dispensary is closed, all cannabis and currency will be stored in a secure locked safe room and in a manner as to prevent diversion, theft or loss.

Ingress and Egress, and Access

The facility has a front and rear entrance and exit. We will secure the perimeter of the facility to prevent unauthorized intrusion.

Bulletproof glass will replace normal glass for both the front door and all windows which will provide additional protection for employees.

Where required, windows and roof hatches of the facility will be secured from the inside with bars or other approved measures so as to prevent unauthorized entry. If used, the bars will be equipped with latches that may be released quickly from the inside to allow an exit in the event of an emergency.

Exterior doors to the facility will remain locked from the outside to prevent an unauthorized ingress to the facility. Ingress will be allowed by means of a remote release operated from within the Cannabis Business. In all cases, doors will remain operable from the inside to allow egress without the use of a key or special knowledge. Access-controlled egress doors will comply with all applicable laws.

Movement within the facility will be tightly controlled and regulated. Customers will enter the facility through the Cannabis Business's front entrance into a safety area/lobby. Entry into the areas where cannabis is kept must be authorized. Customers must provide proper documentation in order to safety area/lobby and enter into the retail area of the facility. Customers are not allowed into any area other than the retail area unless accompanied by an employee of the Cannabis Business.

Third parties, other than customers and licensed distributors, may, from time to time, have legitimate reasons to visit our facility; such persons may include: law enforcement, political officials, government administrators, medical, health, and social service professionals, and the media. All such third parties, other than law enforcement or City agents, may only enter the restricted areas of the Cannabis Business if management has approved their visit. An electronic daily log will be maintained of dispensary agents with access to the safe room and knowledge of the access code or combination.

During business hours, licensed distributors will not enter the facility through the public entrance or exit.

We will maintain a log of all authorized individuals who are not employees who enter the limited-access area. These logs will be made available upon request. We will not receive consideration or compensation for permitting an individual to enter the limited-access area.

Identification Badges

All agents, officers, or other persons acting for or employed by the Cannabis Business will display a laminated or plastic-coated identification badge issued by the licensee at all times while engaging in commercial cannabis activity. The identification badge shall, at a minimum, include the

Cannabis Business's "doing business as" name and license number, the employee's first name, an employee number exclusively assigned to that employee for identification purposes, and a color photograph of the employee that clearly shows the full front of the employee's face and that is at least 1 inch in width and 1.5 inches in height.

While at the Cannabis Business' premises or location, each owner, manager, and individual member or person engaged in the dispensing of cannabis will, at all times while engaged in the duties of his or her position for the Cannabis Business, wear in plain sight, on his or her person and at chest level.

Identification badges will remain at the Cannabis Business' premises when not in use. Owners, managers, and individual members or persons participating in the dispensing of cannabis will not take identification badges home or off- premises, except in the case of traveling off-premises on official business of the Cannabis Business.

No Weapons

No person will be allowed to be in possession of any firearm while in the facility, without having first obtained a license from the appropriate state or local agency authorizing the person to be in possession of such firearms. Persons in possession of a firearm while on the premises of the Cannabis Business must provide the Chief of Police, ten (10) days before bringing the firearm onto the Premises, with the following:

1. A copy of the license issued to the person by the appropriate state or local agency authorizing him or her to possess such firearms;
2. A copy of his or her law enforcement identification (if he or she is employed by a law enforcement agency); and
3. A copy of his or her California Driver's license or California Identification Card.
4. Other information as requested.

OPERATIONS SECURITY

Incident Management and Emergency Response Plan

We understand that smooth operations require well-laid contingency plans and a staff well trained in their execution. We have developed an Emergency Response Plan submitted herewith. The Emergency Response Plan includes contingencies for non-security related emergencies such as medical emergencies, bomb threats, fires, explosions, chemical release, and weather-related disasters to ensure an appropriate and orderly response. This will prevent non-security related emergencies from becoming aggravated security emergencies as well.

Emergency procedures and emergency contact numbers will be provided in writing to all employees and made available in the Cannabis Business.

We will also develop a comprehensive set of guidelines for dealing with security threats. All staff will be trained in these procedures to ensure they are adequately prepared for emergencies.

Preparedness means all employees will:

- Know how to assess emerging situations to determine the type and level of threats they may pose;
- Know how to respond to different kinds of security threats;
- Know which types of situations warrant the activation of panic buttons; and
- Know how to proceed when a security alarm goes off or a panic button has been activated.

If a security breach is found to constitute an actual emergency, authorities will be notified as required. We will then follow the emergency response procedures we will establish in cooperation with local law enforcement authorities for smoothly bringing the situation under their control.

Procedures will be revised and updated as necessary and will be reviewed at least once every twelve (12) months. We will invite local law enforcement to offer their input on up-to-date security threat analysis and contingency planning.

Training

Security and emergency response training is only part of the training that will be required for all employees. Training will also cover:

1. Cannabis laws
2. Health and safety hazards;
3. Hazards presented by all solvents or chemicals used at the licensed premises as described in the material safety data sheet for each solvent or chemical;
4. Emergency procedures;
5. Security procedures;
6. Record keeping requirements; and
7. Training requirements.
8. An overview of the process and standard operating procedure(s);
9. Quality control procedures;
10. Hazard analysis and control procedures as appropriate;
11. Proper and safe usage of equipment or machinery (if applicable);
12. Safe work practices applicable to an employee's job tasks, including appropriate use of any necessary safety or sanitary equipment;
13. Cleaning and maintenance requirements;
14. Emergency operations, including shutdown; and
15. The Cannabis Business will ensure that all personnel receive annual refresher training to cover, at minimum, the topics listed in this section. This annual refresher training will be completed within twelve (12) months of the previous training completion date. The Cannabis Business will maintain a record which contains at minimum:
 - a. A list of all personnel at the premises, including at minimum, name and job duties of each.
 - b. Documentation of training topics and dates of training completion for all personnel
 - c. Training topics and dates of refresher training completion for all personnel.

- d. The signature of the individual personnel and the licensee verifying receipt and understanding of each training or refresher training completed by the personnel.
 - e. Any official documentation attesting to the successful completion of required training by personnel.
16. Any additional information reasonably related to an employee's job duties.

The Cannabis Business may assign responsibility for the training of individual personnel to supervisory personnel. Assigned supervisory personnel will have the education, training, or experience (or a combination thereof) necessary to ensure the production of clean and safe cannabis products by all personnel. The designated training personnel will sign and date a document on an annual basis attesting that he or she has received and understands all information and training provided in the training program. This documentation will be maintained as part of the record requirements.

Liaising with Community and Local Law Enforcement

Local law enforcement and neighbors in close proximity to our facility will have the name of one or more contact persons on our staff that they can notify, day or night, in case there is a problem impacting them or that they feel may impact us.

We will periodically reach out to neighbors to ensure that there are no unreported problems of this sort.

We also will reach out to local law enforcement to develop a professional working relationship and a coherent contingency plan for incidents that require a law enforcement involvement at our facility. Local law enforcement officials will be invited to the site, to discuss and evaluate potential security risks, vulnerabilities, and to assist in the development or enhancement of our current security program.

Incident Log

The Cannabis Business will maintain an incident log for a period of not less than five (5) years with reports of incidents that triggered an event.

Suspicious Activity and Loitering

Staff will be trained to identify and respond appropriately to all levels of suspicious activity. Loitering will not be tolerated. Customers will be advised of our no loitering policy.

Closing Procedures

After the cessation of business each day our closing procedures require that the security alarms be set. At the close of each business day, our personnel will insure that:

1. All exterior doors and interior rooms are locked,
2. All cannabis to be dispensed is secured in the safe; and

3. That the security alarms are set.

Preventing Theft & Non-Diversion

We will prevent against theft or loss of cannabis and cannabis products by, among other things:

1. Establishing an inventory system to track cannabis material and the personnel responsible for processing it throughout the manufacturing process;
2. Limiting access of personnel within the premises to those areas necessary to complete job duties, and to those time-frames specifically scheduled for completion of job duties;
3. Supervising tasks or processes with high potential for diversion (including the loading and unloading of cannabis);
4. Providing designated areas in which personnel may store and access personal items.
5. Any personnel that are involved in theft or diversion will be terminated
6. Any personnel that are aware of in theft or diversion will be required to report the incident to Management.
7. All cannabis, while growing, will be accessible only to authorized persons.
8. At the time of each sale, we will verify the status of each customer
9. We will maintain all records as may be required by law;
10. We will exclude those who are caught diverting cannabis

We will notify the Monterey County Sheriff's Office and the licensing authority within 24 hours after discovering any of the following:

1. Significant discrepancies identified during inventory;
2. Diversion, theft, loss, or any criminal activity involving the dispensary or any agent or employee of the retailer;
3. The loss or unauthorized alteration of records related to cannabis, patients, or retailer's employees or agents; or
4. Any other breach of security.

On-Site Consumption Prohibited

We will not permit the consumption of cannabis at the facilities in any form. Customers and employees will be advised that consumption of cannabis onsite is prohibited. Any person found to be in violation of the non-consumption policy will be terminated (if an employee) or excluded from the facility (if a customer).

SECURITY PERSONNEL

A minimum of one (1) Security Personnel/Security Guard will be present and on duty at the Cannabis Business's retail premises during its hours of operation.

The Cannabis Business's Security Personnel and documentation of the proper certification of those personnel by the State will be maintained at the site as required by law. The Cannabis Business's

Security Personnel will be provided by licensed operator and all such personnel shall be a private security officer of higher level.

The Security Personnel/Security Guard will provide security inside the facility, along the outside perimeter of the Premises, at parking sites immediately adjacent to the facility and used by customers of the Cannabis Business, and at sidewalks adjacent to the facility.

Security personnel will perform security functions and keep records of having performed routine regular inspections of all security systems, barriers, gates, doors, and locks, immediately reporting any malfunctioning or compromised security feature to the Security Manager. Any incidents qualifying as irregular or suspicious will be handled immediately.

The Cannabis Business will employ Security Personnel subject to the following requirements:

Registered Status

All Security Personnel will register and maintain valid registration status with the state of California's Department of Consumer Affairs. At no time will be any Security Personnel registered with the State at any level that is less than that of a proprietary private security officer. Proof of application and registration for all Security Personnel will be maintained by the Cannabis Business and will consist of copies of all relevant documentation including application forms, receipts for application fees and live scan fees, and actual proof of registration.

Security Identification Badge

While on duty, all Security Personnel will have a nameplate containing the Security Personnel's full name and the word "SECURITY" printed in bold, capital letters. The nameplate will be exhibited prominently on the clothing, at chest level, and will be visible and easily read at all times. The nameplate will be a minimum of two inches (2") high and four inches (4") wide, with the required information printed in capital letters, at least three-fourths inches ($\frac{3}{4}$ ") high and in a contrasting color. As an alternative to a nameplate, the Security Personnel's name and the word "SECURITY" may be embroidered on the Security Personnel's outermost garment with the required information meeting the above specifications and located at chest level.

Title of SOP: Odor Management Plan

Original: Yes No **Revision: Yes No** **Revision No.: _____**

Related SOPs:

Administration 8.00

Introduction:

The proposed retail sales of cannabis could impact the environment and cause odors. A preliminary evaluation has been made of possible significant impacts of odors to the environment and mitigation measures that can be incorporated into the planning, design, and operation of the Cannabis Business. The primary purpose of this Odor Management Plan is to demonstrate how we will comply with the applicable environmental laws and regulations pertaining to our facilities.

The Cannabis Business will have a series of active carbon filters to reduce any odors. Additionally, the air will be filtered with humidifiers, dehumidifiers and air conditioning. The air conditioner will use an air filter which further filters the air as a secondary odor mitigation source.

Liaising with Community and Local Agencies:

Neighbors in close proximity to our facilities will have the name of one or more contact persons on our staff whom they can notify day or night in case there is a problem impacting them or that they feel may impact us.

We will periodically reach out to neighbors to ensure that there are no unreported problems of this sort. Any new neighbor will be provided notice informing them of a phone number (which will be answered 24 hours a day) to address any concerns regarding odors.

We also will reach out to agencies to develop a professional working relationship and a coherent contingency plan for incidents that require an agency involvement at our facility.

Title of SOP: Controlled Substances Policies

Original: Yes No Revision: Yes No Revision No.: _____

Related SOPs:
Administration 8.00

Responsibility:
The owner and dispensary manager is responsible for this procedure.

Purpose:
The purpose of this standard operating procedure is to establish administrative actions as it relates to the possession or delivery of any controlled substances other than for the use of cannabis or cannabis products. Administrative actions for alcohol related violations are also included here.

Equipment/Supplies/Software Required:
Security Cameras, Security Personnel

Explanation:
Controlled Substance Policy: Any current employee, corporate officer or shareholder of the dispensary found in possession or delivery of any form of illegal drugs (controlled substances without proper legal authorization) is considered grounds for immediate dismissal and termination from company employment. This policy will be strictly enforced so as to prevent a potential revocation of the dispensary license.

Any employee with knowledge or suspicion of another employee's reporting to work or engaging in employment duties while in violation of this policy shall report that knowledge or suspicion to their supervisor or dispensary manager. The supervisor or dispensary manager shall then follow up and investigate (may include drug testing) for any possible controlled substance violations. This policy will be strictly enforced so as to prevent a potential revocation of the dispensary license.

DRUG TESTING Where there is reasonable suspicion to believe that an employee is in violation of this Policy, the supervisor or dispensary manager may require that the employee submit to a medical examination, including a drug or alcohol assessment. The drug or alcohol assessment will be conducted to determine whether the employee has been under the influence of illegal drugs, under the influence of alcohol while on duty, or impaired by the use of prescription drugs or over-the-counter medications while on duty. If the drug or alcohol assessment is positive and there is no legitimate medical explanation for the results, the employee will be subject to the consequences provided in this Policy. An employee who refuses to submit to a drug or alcohol assessment required under this Policy shall be subject to the consequences provided in this Policy. Any drug testing shall conform to state law governing administration of controlled substance examinations.



Approved by Lawrence Ma Date 01-05-2019
Implemented by _____ Date _____

Title of SOP: Controlled Substances Policies

Original: Yes No Revision: Yes No Revision No.: _____

CONSEQUENCES

Controlled Substances violations will subject an employee to disciplinary action by the dispensary which includes termination of employment and possible referral for criminal prosecution.

The Dispensary will maintain a “zero tolerance” controlled substances policy at all times.

The current California State Law as it pertains to possession and sale of controlled substances:

- (1) Unlawful **possession of a controlled substance** under **California HS 11350** is usually a misdemeanor.
- (2) According to California Health and Safety Code section 11351, **possession for sale** of a controlled substance is a felony, and the punishment for sale of a controlled substance in California consists of 2, 3, or 4 years in county jail and a maximum \$20,000 fine.

Alcohol related violations may include suspension, with or without pay; termination; or conditional continuation of employment; the requirement that the employee participate satisfactorily and at their own expense in a alcohol abuse assistance or rehabilitation program approved by the dispensary or by a federal, state or local health, or other appropriate agency; or any combination of these enumerated actions. Conditions for continued employment for alcohol violations includes the employee being required to consent to random, periodic drug and alcohol testing for a minimum of 3 years.

Approved by <u> <i>Lawrence Mann</i> </u>	Date <u> 01-05-2019 </u>
Implemented by _____	Date _____

Title of SOP: Federal Enforcement Policies

Original: Yes No Revision: Yes No Revision No.: _____

Related SOPs:

Administration 8.00; Product Sourcing 9.10; Controlled Substances 8.10; Security 8.8

Responsibility:

The owner and dispensary manager is responsible for this procedure.

Purpose:

The purpose of this standard operating procedure is to establish policies and procedures as it relates to the federal enforcement priorities for cannabis activities.

Equipment/Supplies/Software Required:

BioTrackTHC POS; Third Party Lab Testing

Explanation:

Federal Enforcement Priorities:

restrictions on drugged driving: Drugged driving, or impaired driving, refers to operating a motor vehicle while under the influence of alcohol, drugs, or both. To help prevent or restrict drugged driving, all individuals seeking dispensary employment

- will be vetted with criminal background checks, personal references and interviews.
- will be screened to find responsible trustworthy employees with no prior history of DUI driving convictions or prior drug abuse.
- will be required to take public transportation, call a driving service, or enlist a designated driver if using medication that impairs one's judgement or reasoning.
- will have their employment immediately terminated if found using, in possession, or in possession to sell illegal controlled substances while driving.

prohibiting use of firearms for security purposes at the premises:

To comply with current Federal cannabis regulations, security personnel shall not carry firearms or other lethal weapons at any time while on the dispensary premises or while making cannabis deliveries. Two full-time unarmed security guards will patrol the dispensary premises at all times.

Approved by Lawrence Man
Implemented by _____

Date 01-05-2019
Date _____

RN170366

Carmel Valley Original, Inc.

SOP No. 8.60

Title of SOP: Record Keeping

Original: Yes No Revision: Yes No Revision No.: _____

Related SOPs:
Administration 8.00

Responsibility:
The owner and dispensary manager is responsible for this procedure.

Purpose:
The purpose of this standard operating procedure is to establish and maintain record keeping requirements in the Dispensary

Equipment/Supplies/Software Required:
Microsoft Excel, BioTrackTHC software and Dell Server Hardware

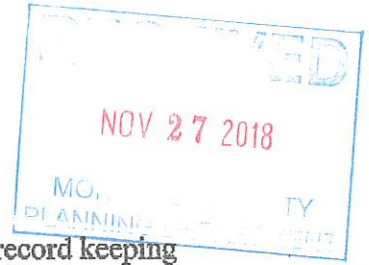
Explanation:
Record Keeping Policies: All records shall be kept for a minimum of seven years. This applies to all records that pertain to transactions involving sales or use tax liability, financial records, personnel records, training records, permit records, and data storage records.

In addition, if records are audited by the Board, all records will be retained for the period being audited until the audit is completed.

Records necessary to determine the correct tax liability under the Sales and Use Tax Law include:

1. The normal books of account (books of account can include information stored on computers)
2. Documents of original entry (for example, bills, receipts, invoices, job orders, contracts, or other documents) supporting the entries in the books of account
3. Shipping documents
4. Sales and purchase records
5. Bank Statements
6. Shipping documents
7. All schedules or working papers used to prepare tax returns
8. Resale or exemption certificates to document claimed nontaxable sales

The records will show:
Gross receipts from all sales or leases of tangible personal property.
All deductions claimed in filing returns
The total purchase price of all tangible personal property purchased for sale, consumption, or lease



Approved by _____ Date 10-2-2018
Implemented by _____ Date _____

Title of SOP: Record Keeping

Original: Yes No Revision: Yes No Revision No.: _____

Records of recreational and medical marijuana purchases

The details of each recreational and medicinal purchase are recorded in BioTrackTHC software and stored in-house on the Dell Server. The retention of these records includes, but is not limited to the following:

- Customer's first and last name
- Customer's address and phone number
- Customer's email address
- Customer's assigned ID number for Medical Purchases
- Driver's License Number
- Product(s) purchased
- Quantity purchased
- Date of purchase
- Amount of purchase
- Applicable sales tax
- Excise tax included in the price of the product
- Delivery or onsite purchase

Products and their inventory are maintained and updated in the BioTrackTHC software and stored on the in-house Dell Server. Cloud backups and external hard drives ensure recovery if necessary.

All information on the Dell Server shall be stored and protected for a period of not less than seven years.

Dispensary shall keep and maintain accurate records of all business operations and provide such records for inspection consistent with Section 26160 of the California Business and Professions Code.

Approved by _____
Implemented by _____

Date 10-2-2018
Date _____

Title of SOP: Track and Trace

Original: Yes No Revision: Yes No Revision No.: _____

Related SOPs:

Dispensary Software Programs 7.00

Responsibility:

The owner and dispensary manager is responsible for this procedure.

Purpose:

The purpose of this standard operating procedure is to establish and maintain Track and Trace for the Dispensary.

Equipment/Supplies/Software Required:

BioTrackTHC POS; Dell Server/workstations; Metrc (government contracted traceability system in California)

Explanation:

Track and Trace: The California Cannabis Track-and-Trace (CCTT) system will be used statewide to record the inventory and movement of cannabis and cannabis products through the commercial cannabis supply chain. This system will be used by all state cannabis licensees, including those with licenses for cannabis cultivation, manufacturing, retail, distribution, testing labs, and microbusinesses.

In January 2018, the California Department of Food and Agriculture's (CDFA) CalCannabis Cultivation Licensing Division, in coordination with the California Bureau of Cannabis Control, launched the Only licensees holding an ANNUAL COMMERCIAL Cannabis Track-and-Trace system, using Metrc software (CCTT- CANNABIS LICENSE are required to use the CCTT-Metrc system. Metrc). CCTT-Metrc uses unique identifiers (UIDs) for reporting the movement of cannabis and cannabis products through the licensed commercial cannabis distribution chain.

The state's contracted service provider for the CCTT system is the technology company Franwell, Inc., and they are using the **Metrc software program**—the same program now used in many other states for their medicinal and adult-use cannabis programs. The CCTT-Metrc system offers access to third-party business applications via a standard Application Programming Interface (API) or file upload.

The dispensary will use the proven **BioTrackTHC POS and Seed-to-sale integration** which means that the software being utilized for plant tracking, inventory control, and sales insights, is reporting in **real-time only** the required compliance data to the stateside monitoring system.

Approved by _____
Implemented by _____

Date 10-2-2018
Date _____

Carmel Valley Original, Inc.

SOP No. 7.40

Title of SOP: Track and Trace

Original: Yes No Revision: Yes No Revision No.: _____

With full integration the dispensary personnel will never have to login to the stateside traceability system to enter compliance-centric data

"The BioTrackTHC POS dispensary software automatically records and reports to METRC to maintain full compliance with state law."

Approved by 
Implemented by _____

Date 10-2-2018
Date _____

Title of SOP: Product Sourcing

Original: Yes No Revision: Yes No Revision No.: _____

Related SOPs:

Products 9.00; Packaging and Labeling 9.60

Responsibility:

The owner and dispensary manager is responsible for this procedure.

Purpose:

The purpose of this standard operating procedure is to establish which products are to be selected for the dispensary and from whom they come from.

Equipment/Supplies/Software Required:

BioTrackTHC POS; Third Party Lab Testing; internet buyer's guides

Explanation:

Product Sourcing: Dispensary account personnel will travel statewide searching for California's premier cannabis suppliers. The dispensary personnel will carefully choose which licensed facilities will be represented and will sign contracts with these handpicked suppliers. This will allow the dispensary to secure better pricing and those savings will get passed on to the retail buyer.

In addition, the Leafly Buyer's Guide provides a curated editorial list of top cannabis product picks on the market now, chosen by local experts in each region.

The dispensary personnel will ensure that all cannabis and cannabis products purchased:

- are supplied from permitted and **licensed sources only**.
- are cultivated, manufactured, transported, distributed, and tested by licensed and permitted facilities that maintain operations in full conformance with state and local regulations.
- will not distribute any cannabis or cannabis product unless the cannabis and cannabis products are **properly labeled and in a tamper-evident package** in compliance with Section 26120 of the California Business and Professions Code and any additional rules promulgated by the licensing authority.
- is Child Resistant – The packaging meets the standard for child resistant under the federal Poison Prevention Packaging Act of 1970 designed to be difficult for children under five years of age to open.
- The package can be closed after each use. Ex: a lid, adhesive closure, box top closure.
- Opaque [For edibles only] – The package is not transparent; consumers cannot see the product through the packaging.
- must include specific information on the label such as the weight, name, THC levels and a safety notice.

Approved by  _____
Implemented by _____

Date 10-2-2018
Date _____

Title of SOP: Discrepancy Reporting

Original: Yes No Revision: Yes No Revision No.: _____

Related SOPs:

Security 8.80

Responsibility:

The owner and dispensary manager is responsible for this procedure.

Purpose:

The purpose of this standard operating procedure is to establish protocol for dispensary discrepancy reporting

Equipment/Supplies/Software Required:

BioTrackTHC POS, Dell Server

Explanation:

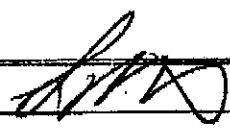
Discrepancy Reporting: Dispensary will notify the Monterey County Sheriff's Office and the licensing authority within 24 hours after discovering any of the following:

- a. Significant discrepancies identified during inventory;
- b. Diversion, theft, loss, or any criminal activity involving the dispensary or any agent or employee of the retailer;
- c. The loss or unauthorized alteration of records related to cannabis, patients, or retailer's employees or agents; or
- d. Any other breach of security.

Discrepancies are typically due to poor counts, lack of quality assurance, careless packaging, and employee theft.

The tracking of every bud through the POS system BioTrackTHC, a sophisticated cannabis dispensary POS system, will help avoid gaps in supply and sales numbers.

When discrepancies are noted, dispensary management and state investigators can visit the dispensary and request security camera footage so they can try to determine what went wrong.

Approved by  Date 10-2-2018
 Implemented by _____ Date _____

Title of SOP: Access restrictions

Original: Yes No Revision: Yes No Revision No.: _____

Related SOPs:
Security 8.80

Responsibility:
The owner and dispensary manager is responsible for this procedure.

Purpose:
The purpose of this standard operating procedure is to establish access restrictions inside the dispensary.

Equipment/Supplies/Software Required:
Security Cameras, Alarm System, doors and locks

Explanation:
Access Restrictions: A large secure safe room for cannabis and cannabis products will be steel-plated and located in the back of the dispensary as a restricted access area for authorized employee accessibility only and away from customer access. When the dispensary is closed, all cannabis and currency will be stored in a secure locked safe room and in a manner as to prevent diversion, theft or loss;

- For limited access area(s), a locked door or barrier will be established between the facility's entrance and the designated limited access area. The limited access area shall only be accessible to registered qualifying patients, designated caregivers, authorized principal officers and agents, or service professionals conducting business with the dispensing organization.
- Restricted access area(s) will be identified by the posting of a sign that shall be a minimum of 12" x 12" and that states "Do Not Enter – Restricted Access Area – Access Restricted to Authorized Personnel Only" in lettering no smaller than one inch in height.

Establishing limited access areas for retail employees and authorized vendors or contractors to do business is necessary for compliance. Dispensary employees will keep an accurate log of anyone who is not on staff who is conducting business in the limited access area and this log will be made available to inspection agents. A dispensary employee will always accompany authorized vendors in and out, and no one under the age of 21 will be permitted in these areas.

All restricted access areas will be completely secure, with locking devices that prevent access from the limited access areas.

Approved by _____ Date 10-2-2018
 Implemented by [Signature] Date _____

Title of SOP: Packaging and Labeling requirements

Original: Yes No Revision: Yes No Revision No.: _____

Related SOPs:

Products 9.0; Product Sourcing 9.1

Responsibility:

The owner and dispensary manager is responsible for this procedure.

Purpose:

The purpose of this standard operating procedure is to establish packaging and labeling requirements.

Equipment/Supplies/Software Required:

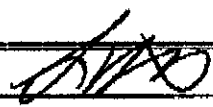
BioTrackTHC POS Software

Explanation:

Packaging and Labeling Requirements: The dispensary will ensure all cannabis and cannabis products dispensed from the dispensary conforms to all state and county regulations. These regulations include but are not limited to the following:

PACKAGING

- Tamper Evident – A consumer knows if the package has been opened. Ex: a plastic seal, a sticker across the lid that is ripped when opened, a jar with a life that pops up after opening, etc.
- Child Resistant – The packaging meets the standard for child resistant under the federal Poison Prevention Packaging Act of 1970 designed to be difficult for children under five years of age to open.
 - Single Use (“Initial CRP”) – the package is initially child resistant, but once opened, it is no longer child resistant.
 - Multiple Use (“Lifetime CRP”) – the package maintains its child resistance throughout the life of the package. It can be opened and closed, and it remains child resistant.
- Resealable [For products with multiple uses] – The package can be closed after each use. Ex: a lid, adhesive closure, box top closure, etc.
- Opaque [For edibles only] – The package is not transparent; consumers cannot see the product through the packaging.

Approved by  Date 10-2-2018
 Implemented by _____ Date _____

Title of SOP: **Packaging and Labeling requirements**

Original: Yes No Revision: Yes No Revision No.: _____

LABELING—Manufactured Cannabis Products

PRIMARY PANEL (Minimum 6 pt font)

- Product identity A generic or common name that describes the product. Examples include dark chocolate, fruit chew, vape cartridge, lotion, tincture, etc.
- Universal symbol [in black, at least 0.5"x0.5"] The California symbol that identifies products as containing cannabis.
- Net weight or volume The weight or volume of the cannabis product, not including the packaging.
- THC and CBD per package [in milligrams] The total amounts of Δ9-THC (THC) and cannabidiol (CBD) in the package. Other cannabinoids may be listed but are not required.

INFORMATIONAL PANEL (Minimum 6 pt font)

- Manufacturer name and contact The name of the licensed manufacturer and their phone number or website. The name must match the legal or DBA name listed on the CDPH license.
- Date of manufacture
- List of ingredients [in descending order by weight or volume]
- Instructions for use and any preparation needed
- UID number The unique tracking number issued through Track-and-Trace.
- Government warning statement for cannabis products [in capital letters and bold font]
- "FOR MEDICAL USE ONLY" [for non-edible products with more than 1000mg THC]
- Expiration, use-by or best-by date [if any]
- Batch number [if any]

Edible products must also have:

- "Cannabis-Infused" These words must be listed above the product identity and in a text size larger than the one used for the product identity.
- THC and CBD per serving [in milligrams] The amount of Δ9-THC (THC) and cannabidiol (CBD) in each serving.
- Sodium, sugar, carbohydrates, and total fat [in grams per serving]
- Allergens [If applicable] A list of any major food allergen in the product. The major food allergens are milk, egg, tree nuts, wheat, peanuts, soybeans, fish or crustacean shellfish. Use the specific food name when disclosing allergens (i.e. "almonds" instead of "tree nuts").
- Artificial food colorings [If applicable]

Approved by _____
Implemented by _____

Date 10-2-2018
Date _____