

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:

CATLIN/BIG SUR CANNABOTANICALS (PLN160803)

RESOLUTION NO. ----

Resolution by the Monterey County Planning
Commission:

- 1) Finding the project categorically exempt from CEQA pursuant to Section 15303 of the guidelines; and
- 2) Approving a Use Permit to allow a medical cannabis dispensary use.

[PLN160803, Catlin, 26352 Carmel Rancho Lane, Carmel Valley Master Plan area (APN: 015-012-055-000)]

The Catlin/Big Sur Cannabotanicals application (PLN160803) came on for public hearing before the Monterey County Planning Commission on June 14, 2017. 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 Use Permit to allow a medical cannabis dispensary at 26352 Carmel Rancho Lane, Carmel was filed on March 14, 2017 and was deemed complete on April 13, 2017.
 - 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;
 - Carmel Valley Master 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 26325 Carmel Rancho Lane, Carmel (Assessor’s Parcel Number 015-012-055-000), Carmel Valley Master Plan Area. The parcel is zoned Light Commercial with Design Control, Site Plan Review, and Residential Allocation zoning overlays (LC-D-S-RAZ), which allows medical cannabis dispensaries subject to

the requirements of Chapter 21.67 of the Monterey County Code. Therefore, the project is an allowed land use for this site.

- d) The proposed application involves no changes to the exterior of the existing commercial space other than new signage. The proposed signage includes a new three foot by two foot wood sign near the entrance and a one foot by one foot green cross. The proposed signage is less than 35 square feet in the aggregate and is consistent with the Design Control regulation contained in Section 21.44 of the Zoning Ordinance and is consistent with other signs within the shopping center.
- e) Another application is pending for a medical cannabis dispensary within 1,500 feet of the proposed dispensary; however, his permit would be the first permit issued for a medical cannabis dispensary in the unincorporated area of Monterey County and therefore the dispensary would comply with the required 1,500 feet setback from another dispensary.
- f) A Operation Plan has been submitted for the proposed medical cannabis dispensary use that address the minimum regulations contained in Section 21.67.040.B of the Zoning Ordinance Title 21.
- g) Location: The dispensary will be located in a Light Commercial zoning district, is more than 600 feet from the nearest school, public park or drug recover facility and would be the first medical cannabis dispensary to be permitted in unincorporated Monterey County therefore would be located more than 1,500 feet from another permitted dispensary.
- h) Records: The Operation Plan (Section N) proposes the use of MJ Freeway Software to “track and trace” all product transactions. MJ Freeway is specifically designed for the cannabis industry and can keep accurate records of business operations including inventory, payroll, sales, and more. A mandatory condition is included that requires the dispensary to allow access to Monterey County officials for inspection of the records (Condition 6).
- i) Security: The Operation Plan (Section K) provides a detailed description of security measures to be implemented on-site. The proposed security measures have been reviewed by the RMA, Fire and the Sheriff’s office and include 24-hour on-site security guards, limited access areas, safes for storage of cannabis products and cash handling procedures, video surveillance, electronic security systems, and emergency response plans.
- j) Delivery Services: The Operation Plan proposes delivery medical cannabis only to registered members and only within municipalities that permit delivery services. Delivery procedures are addressed in the Operations Plan and include requirements for delivery personnel to carry relevant information for the delivery service including a copy of appropriate licenses and entitlements, government issued identification for the employees, a copy of the delivery request(s), and the location where the delivery is to occur. Delivery services will utilize unmarked vehicles with locked and secured storage compartments. All products and transactions will be required for tracking and reporting.

- k) Supply Chain: The Operation Plan (Section M), proposes to purchase and make available medical cannabis and medical cannabis products that are tested, appropriately packaged and labeled, and verified to come from sources that have appropriate permits, licenses, and entitlements to operate.
- l) Packaging and Labeling: Application materials submitted include a sample of labels used for dried cannabis flower which includes the required information and warnings on the package. Dried flower will be packaged in a child resistant container prior to providing the product to patients. Manufacturing of cannabis products is not permitted at the site however, the applicant proposes to inspect all products such as edibles, oils, and tinctures to ensure they are properly packaged and labeled before offering such products at the dispensary.
- m) Sheriff Notification: The Operation Plan (Section K) describes the proposed operational procedures for preventing theft & diversion, on-site consumption, and loitering. The plan indicates that employees will be trained on procedures and requirements and the Sheriff's office will be notified within 24 hours of any discrepancies, theft, suspicious activity, or other breach in security.
- n) Other Illegal drugs: The Operations Plan does not propose to permit the dispensing or delivery of any non-cannabis related controlled substances.
- o) Any dispensary 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 7.100 of the Monterey County Code, and beginning January 1, 2018 a dispensary 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.
- p) The project was referred to the Carmel Valley Land Use Advisory Committee (LUAC) for review. The LUAC recommended approval of the Use Permit as proposed by a vote of 8 ayes, 0 noes, and 1 abstention. The one member abstaining from the vote expressed concerns that there was insufficient security information. Staff had redacted specific security plans from the plans provided to the LUAC to maintain the integrity of the security plans by not disclosing this information.
- q) 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 PLN160803.

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, Cypress Fire Protection District, RMA-Public Works, RMA-Environmental Services, Environmental Health Bureau, Sheriff's Office, Agricultural Commissioner's Office, and Water Resources Agency. 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) Staff identified potential impacts to nearby businesses and visitors because of odor. To address odors, the applicant proposes to install an electronic air purifier and carbon filters within the existing heating, ventilation, and air conditioning system already in place. A 24-hour contact is available to address issues concerns or complaints arising from the dispensary operation.
- c) The proposed location is an existing retail tenant space within an established shopping center. The proposed dispensary use is similar in character to other retail operations and pharmacies in the vicinity. Parking, access, and other improvements for the shopping center are already provided.
- d) Operational plans including security, 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)
- 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 PLN160803.

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, Cypress Fire Protection District, Public Works, Environmental Health Bureau, Sheriff's Office, Agricultural Commissioner's Office, and Water Resources Agency. 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) Necessary public facilities are available including Cal-Am water services and Carmel Area Wastewater sewage disposal.
 - c) Operational plans including security, 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).
 - d) Any dispensary 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 7.100 of the Monterey County Code, and beginning January 1, 2018 a dispensary license from the State. These other licenses and entitlements will ensure ongoing monitoring of compliance with the plans and operational requirements.
 - e) 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.

- 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 PLN160803.

4. **FINDING:** **NO VIOLATIONS** - The subject property is in not compliance with all rules and regulations pertaining to zoning uses. Violations exist on the property. The approval of this permit will correct the violations and bring the property into compliance.

- EVIDENCE:**
- a) Staff reviewed Monterey County RMA - Planning and Building Services Department records and is aware that a medical cannabis dispensary is operating on subject property without a Use Permit.
 - b) On May 20, 2016, Big Sur Cannabotanicals was granted an exemption from the Interim Ordinance (Ordinance No. 5265) which provided them with an exception from the temporary ban on new cannabis operations in Monterey County and allowed them to continue operating while the County considered permanent regulations. It was their stated intent at the time to move their operations to the to 26325 Carmel Ranch Lane although the exemption was granted based on a lease provided for 27875 Berwick Drive Carmel Valley. The operation has moved to 26325 Carmel Rancho Lane, 2nd floor without permission from the County and is currently operating at that location.
 - c) The proposed project corrects an existing violation regarding a dispensary use at the project location. When implemented, the project will bring the subject property into compliance with all rules and regulations pertaining to the property and will remove the existing violations.
 - d) Zoning violation abatement costs, if any, have been paid.
 - e) 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 PLN160803.

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

- EVIDENCE**
- a) Operational plans including security measures, track and trace programs, monitoring and reporting requirements, packaging and labeling standards, sustainability measures, 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 dispensary 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 7.100 of the Monterey County Code, and beginning January 1, 2018 a dispensary 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 dispensary 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 dispensary.
- EVIDENCE:**
- a) The dispensary will be located at 26325 Carmel Rancho Lane, Carmel (Assessor's Parcel Number: 015-012-055-000).
 - b) Carmel Middle School is the nearest school with public fields associated with the school also being the nearest public park. The school boundary is more than 1,800 feet from the proposed dispensary.
 - c) There are no known drug recovery facilities in the area.
 - d) No other medical cannabis dispensaries have been permitted establishing the setback requirement between dispensaries. One other application for a dispensary has been filed with the RMA and would be located within 1,500 feet; however, that application was filed approximately 30 days after the subject application and has not been approved. This permit would be the first Use Permit for a medical cannabis dispensary and no other Use Permits for a dispensary have been approved that would require the 1,500 foot setback.
7. **FINDING:** **LESS THAN SIGNIFICANT IMPACTS:** - The dispensary, as approved and conditioned, will not result in significant unavoidable impacts on the environment.
- EVIDENCE:**
- a) The project would allow a commercial medical cannabis dispensary within an existing retail shopping space in an established shopping center. The only physical improvements would include minimal interior tenant improvements and an exterior sign change.
 - b) As proposed and conditioned, the project can be categorically exempt from the California Environmental Quality Act (See Finding 11).
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 (PLN160803) 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 control measures are proposed to include 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 and registration of patients/clients prior to having access to medical cannabis or medical cannabis products. Each client would be required to sign and

acknowledge restrictions regarding on-site consumption, loitering, and other best practices to minimize nuisances in the neighborhood.

- e) The proposed hours of operation are 10:00 A.M. to 7:00 P.M. seven days a week. The hours of operation have been included in the conditions of approval for the project (Condition #4).
- f) Ongoing monitoring and inspection for compliance with the plans and regulations will be required.

9. **FINDING:** **FEDERAL COMPLIANCE** – The dispensary 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 medical cannabis and medical cannabis products are supplied from permitted and licensed sources.

- EVIDENCE:**
- a) Plans and materials contained in file PLN160803 include sample agreements with medical cannabis clients that are intended to limit resale or transmission of cannabis or cannabis products supplied by the dispensary. Labels on products sold at the dispensary will contain warnings regarding impaired ability to operate machinery. Track and Trace measures are proposed and required to ensure all products purchased, provided to, and sold at the dispensary come from other permitted sources. The applicant proposes to verify the identity, age, and doctor’s recommendation of all patients and visitors to the dispensary and to limit access of products to minors through that process. On-site security is prohibited from carrying lethal weapons.
 - b) Background checks of all persons with 10 percent or more interest in the cannabis businesses will be conducted. Any known association with organized crime may be grounds for denial of business permits and State licenses required to operate the dispensary.
 - c) Any medical cannabis dispensary business operating at the stie will be required to obtain a Business Permit pursuant to Chapter 7.90 of the Monterey County Code, a Business License pursuant to Chapter 7.100 of the Monterey County Code, and beginning January 1, 2018 a dispensary 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 exiting 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 2,178 square foot commercial tenant space within a shopping center.

Improvements are limited to minor interior tenant improvements and an exterior signage change.

- 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 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 PLN160803.

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 a Use Permit to allow a medical cannabis dispensary use at 26352 Carmel Rancho Lane, in general conformance with the attached sketch the attached Operations Plan, and subject to the attached conditions all being attached hereto and incorporated herein by reference.

PASSED AND ADOPTED this 14th day of June, 2017 upon motion of _____, seconded by _____, by the following vote:

AYES:
 NOES:
 ABSENT:
 ABSTAIN:

 Jacqueline R. Onciano, Secretary to the Planning Commission

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 _____.

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

PLN160803

0. PD003(A) - CULTURAL RESOURCES NEGATIVE ARCHAEOLOGICAL REPORT

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: If, during the course of construction, cultural, archaeological, historical or paleontological resources are uncovered at the site (surface or subsurface resources) work shall be halted immediately within 50 meters (165 feet) of the find until a qualified professional archaeologist can evaluate it. Monterey County RMA - Planning and a qualified archaeologist (i.e., an archaeologist registered with the Register of Professional Archaeologists) shall be immediately contacted by the responsible individual present on-site. When contacted, the project planner and the archaeologist shall immediately visit the site to determine the extent of the resources and to develop proper mitigation measures required for recovery.
(RMA - Planning)

Compliance or Monitoring Action to be Performed: The Owner/Applicant shall adhere to this condition on an on-going basis.

Prior to the issuance of grading or building permits and/or prior to the recordation of the final/parcel map, whichever occurs first, the Owner/Applicant shall include requirements of this condition as a note on all grading and building plans. The note shall state "Stop work within 50 meters (165 feet) of uncovered resource and contact Monterey County RMA - Planning and a qualified archaeologist immediately if cultural, archaeological, historical or paleontological resources are uncovered."

When contacted, the project planner and the archaeologist shall immediately visit the site to determine the extent of the resources and to develop proper mitigation measures required for the discovery.

1. PD001 - SPECIFIC USES ONLY

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: This Use Permit (PLN160803) allows a medical cannabis dispensary operation at 26352 Carmel Rancho Lane, Carmel. The property is located at 26352 Carmel Rancho Lane, Carmel (Assessor's Parcel Number 015-012-055-000), Carmel Valley Master 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:
"A Use Permit (Resolution Number ***) was approved by the Planning Commission for Assessor's Parcel Number 015-012-055-000 on June 14, 2017. The permit was granted subject to 10 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. PD006(A) - CONDITION COMPLIANCE FEE

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: The Owner/Applicant shall pay the Condition Compliance fee, as set forth in the fee schedule adopted by the Board of Supervisors, for the staff time required to satisfy conditions of approval. The fee in effect at the time of payment shall be paid prior to clearing any conditions of approval.

Compliance or Monitoring Action to be Performed: Prior to clearance of conditions, the Owner/Applicant shall pay the Condition Compliance fee, as set forth in the fee schedule adopted by the Board of Supervisors.

4. PD029 - HOURS OF OPERATION

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: Hours of operation shall be 10:00 AM to 7:00 PM. (RMA - Planning)

Compliance or Monitoring Action to be Performed: Prior to commencement of use and on an on-going basis, the Owner/Applicant shall demonstrate compliance with the hours of operation to the Director of RMA-Planning.

5. PDSP001 - ANNUAL INSPECTION

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: The dispensary shall allow access to the dispensary facilities and records if requested by the County, its officers, or agents, and shall pay 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: The dispensary shall allow for inspection of the premises and records on an ongoing basis.

6. PDSP002 - INSPECTION OF RECORDS

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: The applicant, owner, and all permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with Monterey County Code from any enforcement officer of the County or their designee

Compliance or Monitoring Action to be Performed: Submit to and pay for inspection on an ongoing basis.

7. PDSP003 - COMMERCIAL MEDICAL CANNABIS PERMIT

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: Any person operating a medical cannabis dispensary shall obtain a valid and fully executed commercial medical cannabis permit pursuant to Chapter 7.90 of the Monterey County Code prior to commencing operations and must maintain such permit in good standing in order to continue operations.

Compliance or Monitoring Action to be Performed: Prior to commencement of the medical cannabis dispensary use, the dispensary business shall apply for and obtain a Commercial Medical Cannabis Business Permit pursuant to Chapter 7.90 of the Monterey County Code.

The dispensary shall comply the requirements of the Commercial Medical Cannabis Permit and maintain the permits in good standing while in operation on an ongoing basis.

8. PDSP004 - PERMITS, LICENSES, AND ENTITLEMENTS

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: The owner shall be responsible for ensuring that all commercial medical 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 permittee and persons conducting commercial medical cannabis activities at the site who do not maintain permits or licenses in good standing with the County or State shall be grounds for the suspension or revocation of a Use Permit pursuant to Section 21.67.120 of the Monterey County Code.

Compliance or Monitoring Action to be Performed: As needed on an ongoing basis, the owner shall verify that the businesses operating on the site have obtained and maintain all required permits, licenses, and entitlements to operate a medical cannabis business on the property. If needed the owner shall diligently pursue evicting or removing cannabis operations from the site that have failed to obtain or maintain the required permits.

9. PDSP005 - OPERATIONS

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: The dispensary shall operate only in accordance with the operating plans reviewed and approved by the County.

Compliance or Monitoring Action to be Performed: Maintain operations and procedures approved by the County on an ongoing basis.

10. CC01 INDEMNIFICATION AGREEMENT

Responsible Department: County Counsel

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)

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 County Counsel 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.

COMMERCIAL CANNABIS DISPENSARY
USE PERMIT APPLICATION
PLN 160803

PREPARED FOR
DIRECTOR OF PLANNING
MONTEREY COUNTY RESOURCE MANAGEMENT/PLANNING AGENCY
COUNTY OF MONTEREY
168 WEST ALISAL ST.
SALINAS, CALIFORNIA

APPLICANT
BIG SUR CANNABOTANICALS
A NON PROFIT MUTUAL BENEFIT COMPANY

PREPARED BY
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ATTORNEY AT LAW
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1

1. DEVELOPMENT PROJECT APPLICATION

Please see attached.



COUNTY OF MONTEREY
RESOURCE MANAGEMENT AGENCY - PLANNING
168 WEST ALISAL, 2ND FLOOR, SALINAS, CA 93901
OFFICE: 831.755.5025 FAX: 831.757.9516

DEVELOPMENT PROJECT APPLICATION

This application is for:

- | | |
|--|--|
| <input type="checkbox"/> Combined Development Permit | <input type="checkbox"/> Tentative Parcel Map (Minor Subdivision) |
| <input type="checkbox"/> Rezoning | <input type="checkbox"/> Tentative Map [Standard Subdivision] |
| <input type="checkbox"/> Administrative Permit [Coastal/Non-Coastal] | <input type="checkbox"/> Vesting Tentative Map |
| <input type="checkbox"/> Use Permit | <input type="checkbox"/> Preliminary Map |
| <input type="checkbox"/> Variance | <input type="checkbox"/> Preliminary Project Review Map |
| <input type="checkbox"/> Design Approval | <input type="checkbox"/> Lot Line Adjustment |
| <input type="checkbox"/> General Development Plan | <input type="checkbox"/> Revised Final Map |
| <input type="checkbox"/> Coastal Development Permit | <input type="checkbox"/> Revised Parcel Map |
| <input type="checkbox"/> Modification of Conditions | <input type="checkbox"/> Amended Final Map |
| <input type="checkbox"/> Local Coastal Plan Amendment [L.U.P. or C.I.P.] | <input type="checkbox"/> Amended Parcel Map |
| <input type="checkbox"/> General Plan Amendment | <input type="checkbox"/> Subdivision Extension Request |
| <input type="checkbox"/> Minor Amendment [Coastal/Non-Coastal] | <input checked="" type="checkbox"/> Commercial Cannabis Use Permit |
| | <input type="checkbox"/> Other _____ |

1. Owner[s] Name: Richard Catlin
Address: 1373 Almaden Lane City: Carlsbad State: CA
Telephone: (760) 470. 6315 Zip Code: 92009
2. Applicant's Name: Big Sur Cannabotanicals
Address: 225 Crossroads Blvd., #212 City: Carmel State: CA
Telephone: (831) 224. 3075 Zip Code: 93923
3. Applicant's Interest in property [Owner, Buyer, Representative, etc.]
Tenant
4. Property address and nearest cross street:
26352 Carmel Rancho Ln., Carmel / Carmel Rancho Blvd.
5. Assessor's Parcel Number[s]: 015. 012. 055. 000
6. Current Zoning: LC-D-5-RA2
7. Property area [acres or square feet]: 2200 sq. ft.
8. Describe the proposed project: Commercial cannabis dispensary.

9. REZONING OR AMENDMENT ONLY: The applicant wishes to amend Section _____ of the Monterey County Code, from a _____ Zoning District to a _____ Zoning District or some other classification.

10. GENERAL PLAN AMENDMENT OR COASTAL PLAN AMENDMENT ONLY: Describe the proposed amendment:

11. SUBDIVISION INFORMATION ONLY: Number of Lots: _____
Purpose of Subdivision: Sale: Lease: Financing: Other: _____

12. LOT LINE ADJUSTMENT INFORMATION ONLY: What is the purpose of the adjustment: _____

WILL THE ADJUSTMENT RELOCATE THE BUILDING AREA? Yes No

ADJUSTED PARCEL SIZE(S): _____

Owner's Signature _____	Owner's Signature _____
Owner's Name [Please Print] _____	Owner's Name [Please Print] _____
Assessor's Parcel Number _____	Assessor's Parcel Number _____

13. VARIANCES ONLY: Describe the proposed variance: _____

14. If new or additional construction is proposed, complete the following information:

A. Residential Development: Single Family Residence Other [How many total units] _____

No. of covered parking spaces _____ No. of uncovered parking spaces _____ Lot Coverage _____ %

B. Commercial or Industrial Development: No. of employees [include all shifts] ±10

No. of covered parking spaces 0 No. of uncovered parking spaces 60

No. of Loading Spaces 3/4 Lot Coverage _____ %

15. Will grading or filling be required: Yes No Cubic Yards _____

16. Will the project require placement of structures, roads, grading cuts or fills on slopes of 30% or greater: Yes No

17. Will any trees be removed: Yes No If yes, indicate the number, specie[s] and diameter: _____

Other vegetation to be removed: none

18. How will water be supplied: Individual Wells _____ Mutual System

Name of Public or Private Water System: Cal Am

19. How will sewage or other waste be disposed: Mutual System

Name of Public or Private Sewer System: MPWMD

20. Is this land currently in row crop production: Yes No

21. Is this land used for grazing: Yes No

22. Is this land under an Agricultural Preservation Contract: Yes No If yes, indicate the Contract No. _____

23. Is this proposed project located on a hazardous waste facility: Yes No [Government Code 65962.5]. [A list of hazardous waste sites is maintained by the Environmental Health Dept., Phone 831-755-4500.]

I/We state that as the owner[s] or agent for owner[s] for the development permit application. I/We have read the complete application and know the contents herein. I/We declare under penalty of perjury that the information contained in this application including the plans and documents submitted herewith are true and correct to the best of my/our knowledge. If the project is approved, I/We understand that we may be charged an additional fee for staff time required to satisfy conditions of approval.

Dated: 2/19/17 at 27800 Dornis Dr., Ste. 110 Carmel California

I declare under penalty that I am authorized by the owner[s] of the described property to make this application.

Richard Catlin
Owner's Name [Please Print or Type]

Jennifer Rosenthal Iverson
Agent's Name [Please Print or Type]

[Signature]
Owner's Signature

[Signature]
Agent's Signature

Some application fees are charged on a deposit basis. Processing hours in excess of the deposit will be billed to the applicant at an hourly rate, prior to issuance of entitlements or permits. Processing hours less than the original fee will be refunded at the same rate after issuance of the entitlements or permits.

For Department Use Only			
Plan Designation:	<u>Commercial 1</u>	Area Plan / Land Use Plan:	<u>Carmel Valley</u>
Legal Lot:	<u>yes</u>	Zoning Violation Case No.:	<u>No</u>
Property Owner Verified:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Height:	Lot Coverage
Setbacks: F _____ R _____ S _____	Special <u>1500'</u>	OPL _____	
FAR _____ Fire Haz. _____	SRA _____	Flood _____	
Advisory Committee:	<u>Carmel Valley</u>		
Geo. Hazard Zones: <u>II</u>	Arch. Sensitivity Zone: <u>low</u>	ESH: <u>No</u>	
Misc.: <u>Cannabis Dispensary</u>			
Application Given Out By: <u>Crissy Spencer</u>	Date: <u>2/15/17</u>		
Application Received By: _____	Date: _____		

2

2. DESIGN APPROVAL REQUEST FORM

Please see attached.



**MONTEREY COUNTY RESOURCE MANAGEMENT AGENCY
PLANNING DEPARTMENT**

Salinas - 168 West Alisal, 2nd Floor, Salinas, CA 93901
 Telephone: (831) 755-5025 Fax: (831) 757-9516
 Coastal Office - 2620 First Avenue, Marina, CA 93933
 Telephone: (831) 883-7500 Fax: (831) 384-3261
<http://www.co.monterey.ca.us/planning>

DESIGN APPROVAL REQUEST FORM

ASSESSOR'S PARCEL NUMBER: 015-012-055

PROJECT ADDRESS: 26352 Carmel Rancho Ln., #100, Carmel

PROPERTY OWNER: Richard Catlin Telephone: (760) 470-6315
 Address: 7373 Almaden Lane Fax: _____
 City/State/Zip: Carlsbad, CA 92009 Email: rcatlins@gmail.com

APPLICANT: Big Sur Cannabotanicals Telephone: (831) 224-3075
 Address: 225 Crossroads Blvd. #212 Fax: _____
 City/State/Zip: Carmel, CA 93923 Email: aramstoneya@hotmail.com

AGENT: Jennifer Rosenthal Telephone: (831) 625-5193
 Address: Po Box 1021 Fax: (831) 625-0470
 City/State/Zip: Carmel Valley, CA 93924 Email: jsrosenthal@sbcglobal.net

Mail Notices to: Owner Applicant Agent
 (check only one)

PROJECT DESCRIPTION: (Attach Scope of Work) Cannabis Dispensary
No scope of work is being proposed.

MATERIALS TO BE USED: No changes to current design.

COLORS TO BE USED: No changes to current design.

You will need a building permit and must comply with the Monterey County Building Ordinance. Additionally, the Zoning Ordinance provides that no building permit 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.

PROPERTY OWNER/AGENT SIGNATURE: JR Rosenthal DATE: 3/7/17

FOR DEPARTMENT USE ONLY

ZONING: _____
 GENERAL/AREA PLAN: _____
 ADVISORY COMMITTEE: _____
 RELATED PERMITS: _____
 PLANNER: _____
 LUAC REFERRAL: YES NO
 DOES THIS CORRECT A VIOLATION? YES NO
 WITHIN ARCH BUFFER ZONE? YES NO
 DECISION: ADMINISTRATIVE PUBLIC HEARING

LEGAL LOT: _____ YES NO
 GIVEN OUT BY: _____ DATE: _____
 ACCEPTED BY: _____ DATE: _____

COMMENTS: _____

ADVISORY COMMITTEE RECOMMENDATION

APPROVAL DENIAL

For: _____ Against: _____ Abstain: _____ Absent: _____

Was the Applicant Present? YES NO

Recommended Changes: _____

Signature: _____

Date: _____

APPROPRIATE AUTHORITY: DIRECTOR OF P & B I ZONING ADMINISTRATOR PLANNING COMMISSION
 ACTION: APPROVED DENIED

CONDITIONS: _____

APPROVED BY: _____ DATE: _____

PROCESSED BY: _____ DATE: _____

COPY TO APPLICANT: IN PERSON OR MAILED DATE: _____

STATEMENT OF PLANNING SCOPE OF WORK

PLEASE CHECK "YES" OR "NO" FOR ALL BOXES

- | Yes | No | |
|-------------------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 1. Project is for residential use. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. The project is commercial use. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 3. The project is for agricultural use. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 4. The project is for industrial use. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 5. The project is public or quasi/public. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 6. The project includes a subdivision/lot line adjustment. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 7. The project is for cell site, telecom (digital) communication facility/site. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 8. Project includes construction of a new structures. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 9. Project includes enlarging, altering, repairing, moving, improving, or removing an existing structures.
If "yes" describe _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 10. The project includes demolition work.
If "yes" describe _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 11. Project includes replacement and/or repair of (50%) or more of the exterior walls of a structure. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 12. Project includes historical structure or a structure more than fifty (50) years old. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 13. Project includes an accessory structure(s)
If "yes" describe _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 14. Project includes the placement of a manufactured home, mobile home, modular or prefabricated unit.
<input type="checkbox"/> Private property <input type="checkbox"/> Park installation _____ (mobile home park) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 15. Project includes retaining walls, sea wall, riprap. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 16. The project includes constructing, enlarging, altering, repairing, moving, improving or removing a septic tank/system. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 17. The project includes constructing, enlarging, altering, repairing, moving, improving or removing a well. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 18. Project is associated with a new or improvements to a water system.
_____ water system _____ number of connections. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 19. Project includes removal of trees.
If "yes", type _____ size _____ number _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 20. Project includes grading, dirt importation, dirt removal, and/or drainage changes. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 21. Project is visible from a public area. (public road, park, slough, beach, trail) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 22. Project is located on a slope/hillside. (30 percent (25 percent-North County) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 23. Project is located within 50 feet of bluff. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 24. Project is located within 100 feet of seasonal or permanent drainage, lake, marsh, ocean, pond, slough, stream, wetlands.
If "yes", describe _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 25. Project includes the use of roofing materials that are different in type and/or color from the original materials.
If "yes", describe _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 26. The project includes site grading and/or site drainage changes. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 27. The project includes a historical structure, or a structure older than fifty (50) years. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 28. The project includes an accessory structure(s).
If "yes", describe _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 29. Project is change or modification to an approved application. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 30. Project involves or includes an existing or proposed trail or easement. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 31. Project involves new, change or modifications to existing utilities and/or power lines. |

PLEASE DESCRIBE COMPLETELY AND FULLY THE PROJECT YOU ARE APPLYING FOR.
INCLUDE INFORMATION ON ALL QUESTIONS ANSWERED WITH A "YES".

Big Sur Cannabotanicals is applying for a commerial cannabis dispensary use permit. No structural, design or building changes will take place. The building space will remain as it is in its current conditional. No building permits are being sought.

I hereby certify that the above information is complete and correct. I certify that I am the property owner or that I am authorized to act on the property owner's behalf.

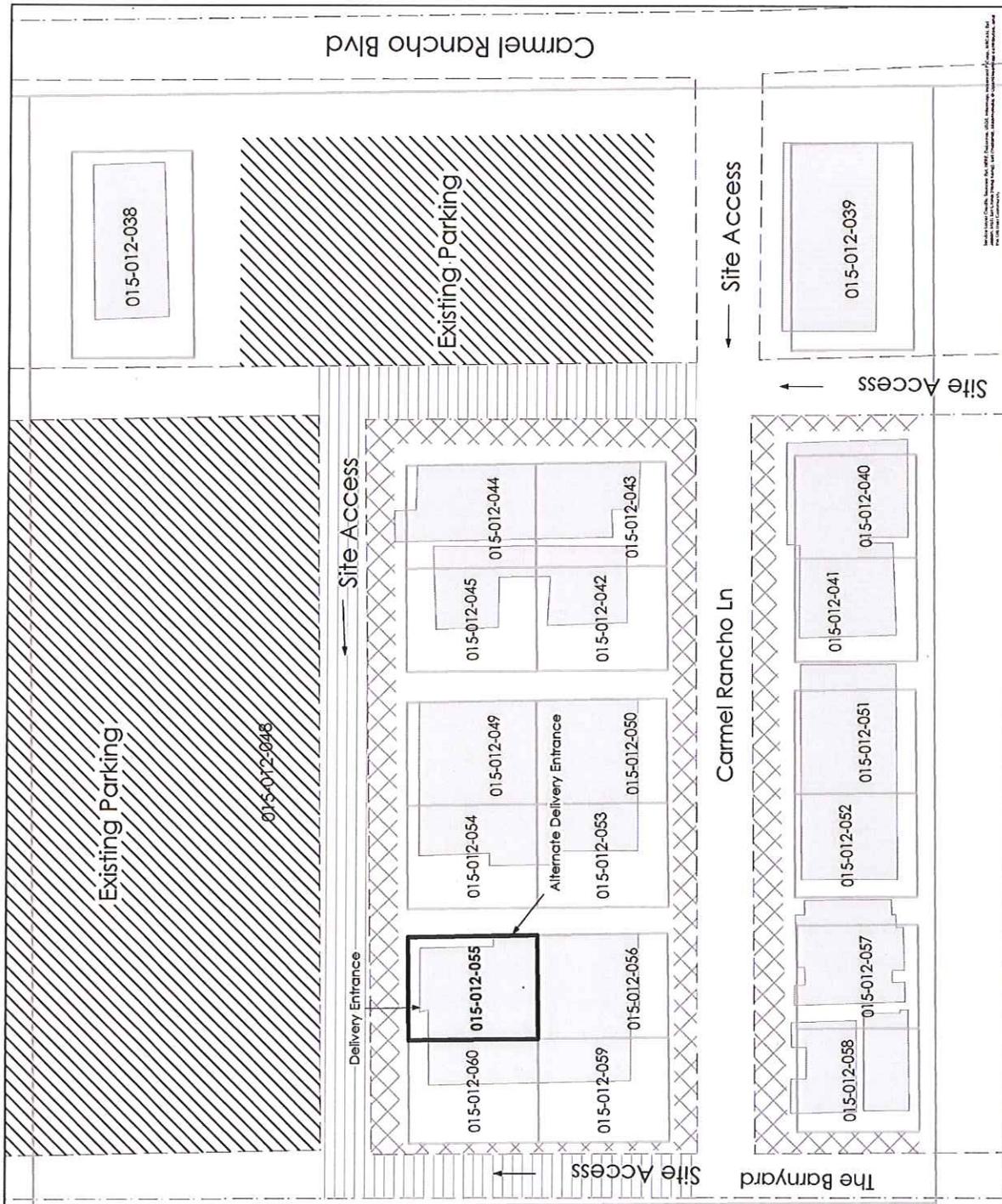
J R Mihaljeverson
Signature

3/7/17
Date

3

3. SITE PLAN

Please see the attached site plan.



- Project Parcel
 - Surrounding Parcels
 - Buildings
 - Existing Parking Lot
 - Existing On-Street Parking
 - Existing Access Easement
- Project Data Summary**
 Parcel Size = 0.8 Acre
 GP Land Use Designation = Planned Commercial
 Zoning Designation = LC-D-S-RAZ
 Existing Parking = 156 Spaces
 Proposed Parking = 156 Spaces
 Parcel Dimensions = 55' X 70'
 Water Service Provider = Cal Am Water
 Sewer Service Provider = Carmel Area Wastewater District

This map (or data product) is for assessment and planning purposes only. It is not intended to be used for any other purpose, including but not limited to, legal boundary or property lines. This is not a survey product. Users are encouraged to examine the documentation or metadata associated with the data on which this map is based for information related to its accuracy, currentness, and limitations.

N

0 12.5 25 50 100
Meters

0 25 50 100
Feet

BIG SUR CANNABOTANICALS SITE PLAN

Document Path: F:\GIS\GIS_Projects\2017-09_BSC_Map_Products\Big_Sur_CSB_2020\Final.mxd

REVISIONS		DATE	SCALE	PROJECT
BY	DESCRIPTION	MARCH 6, 2017	1 IN = 30 FEET	2017-09 BSC

Monterey | Santa Barbara | San Jose
Denise Dury and Associates, Inc.
 Environmental Consultants Resource Planners
 817 Coast Street, Suite 5
 Marina del Rey, CA 90292
 (310) 324-8441

FIGURE 1

4

4. FLOOR PLAN

The proposed project does not include remodeling or additions to the current building site.

Please see the attached floor plans which include room sizes and dimensions, proposed use of each room, entrances and exits. Also included is a layout of all interior and exterior walls, the reception area, break rooms, bathrooms, path of travel as well as several photos.



AP# 015-012-055-000
 26352 CARMEL RANCHO BLVD, CARMEL, CA 93923
 BIG SUR CANNABOTANICALS DISPENSARY

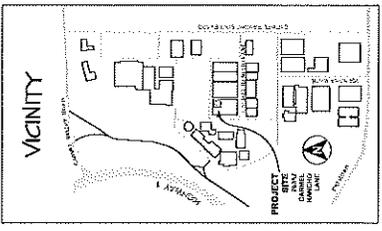
EXISTING PLANS

AI
 2/27/2017

PROJECT DESCRIPTION
 ORGANIZE CANNABIS DISPENSARY
 WITHIN EXISTING SPACE
 WITH NO ADDITIONAL
 CONSTRUCTION

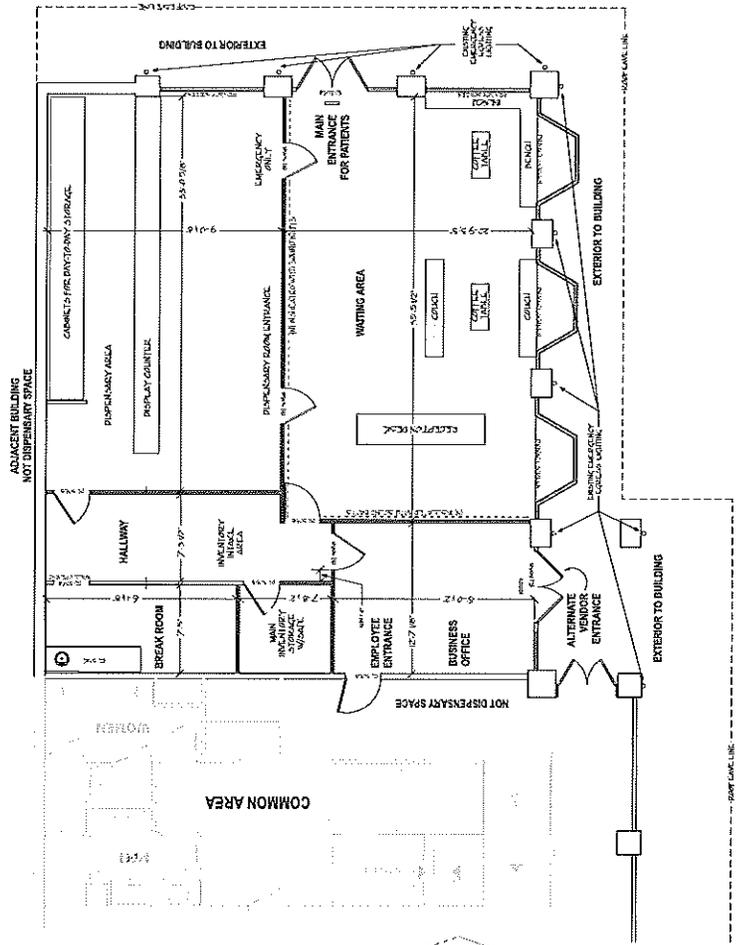
SITE INFORMATION
 OWNERS: 701 S. BASCOM AVE.
 RICHARD CATTIN CARLSBAD, CA 92007
 (760) 470-6316
 ASSESSOR PARCEL NO. 015-012-055-000
 SITE ADDRESS: 26352 CARMEL RANCHO BLVD
 CARMEL, CA 93923
 ZONING DISTRICT: LC-D-S-WAZ
 STORIES: 2 STORY BLDG
 EXISTING TENANT SPACE: 2,774 SQ. FT. OF GROUND FLOOR
 BUILDING OCCUPANCY GROUP: M
 FIRE SPRINKLERS: NON-SPRINKLERED BUILDING

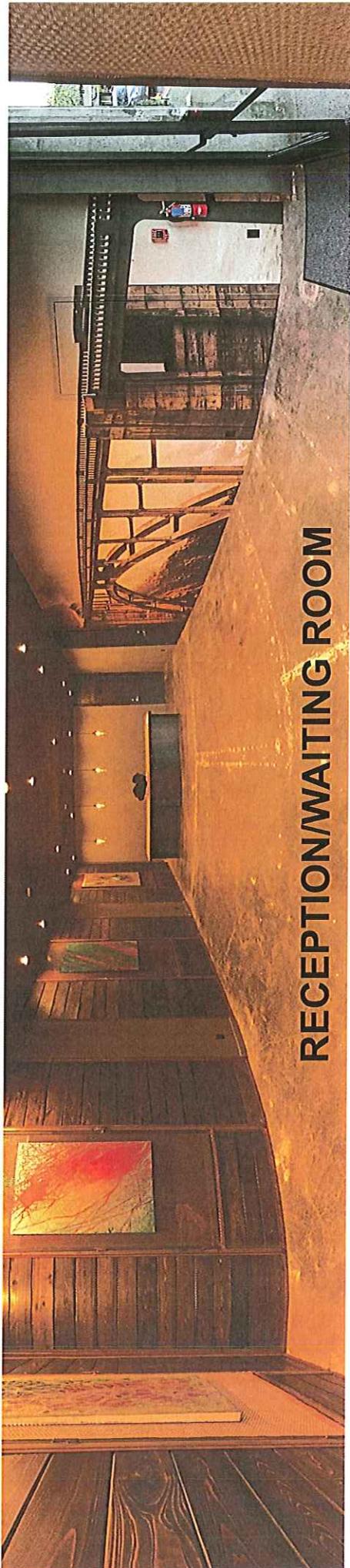
These plans are shown as submitted to the City of Carmel for review. They are not intended to represent a final set of plans. The City of Carmel is not responsible for the accuracy or completeness of these plans. The City of Carmel is not responsible for the accuracy or completeness of these plans. The City of Carmel is not responsible for the accuracy or completeness of these plans.



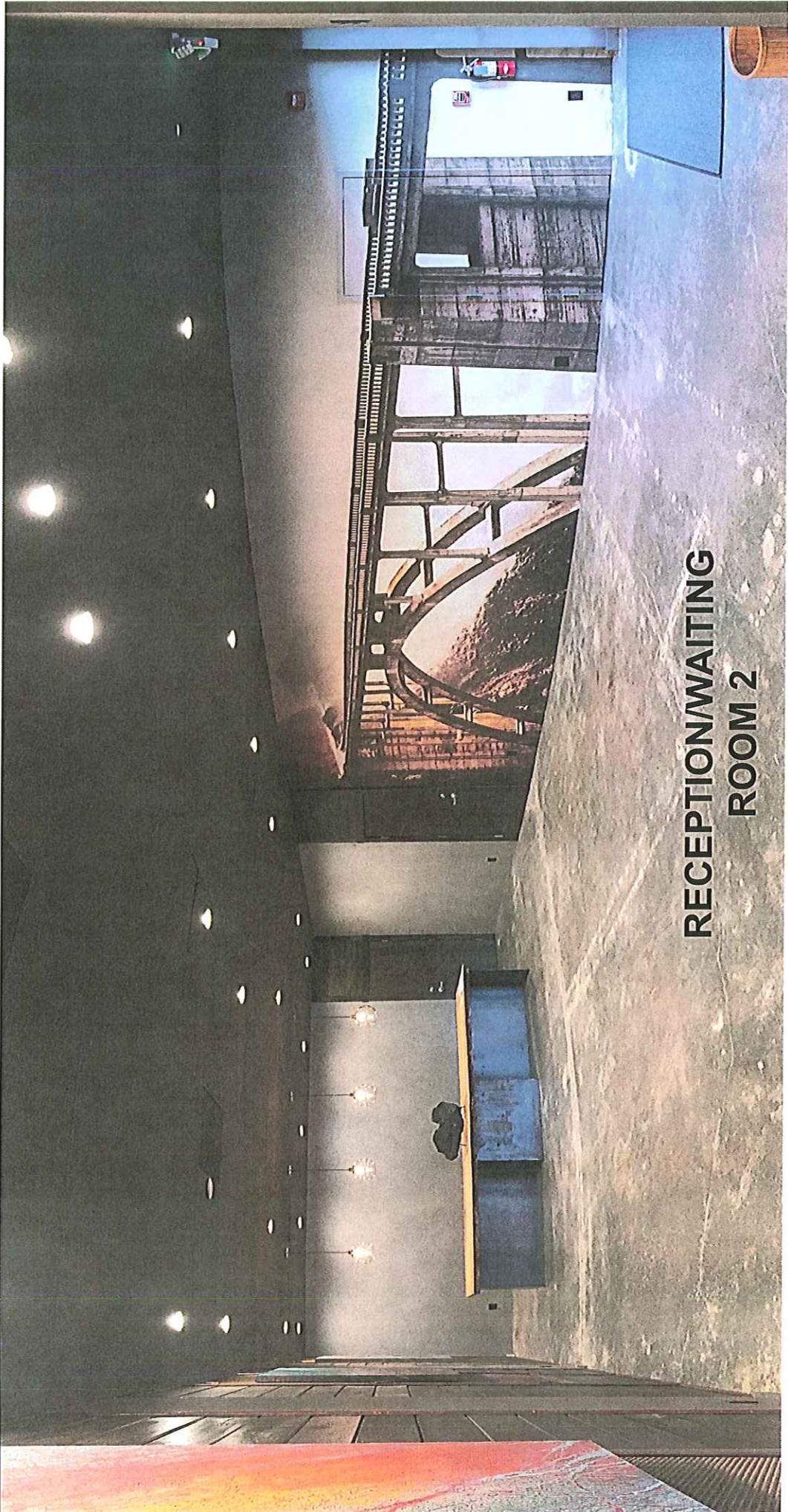
EXISTING FLOOR PLAN
 SCALE 1/4"=1'-0"

NO PROPOSED CHANGES IN EXISTING TOILET, ELEVATOR, STORAGE OR STAIR AREAS. NO WORK IN COMMON AREAS ACCESSIBLE TO OTHER TENANTS IN THE BUILDING.

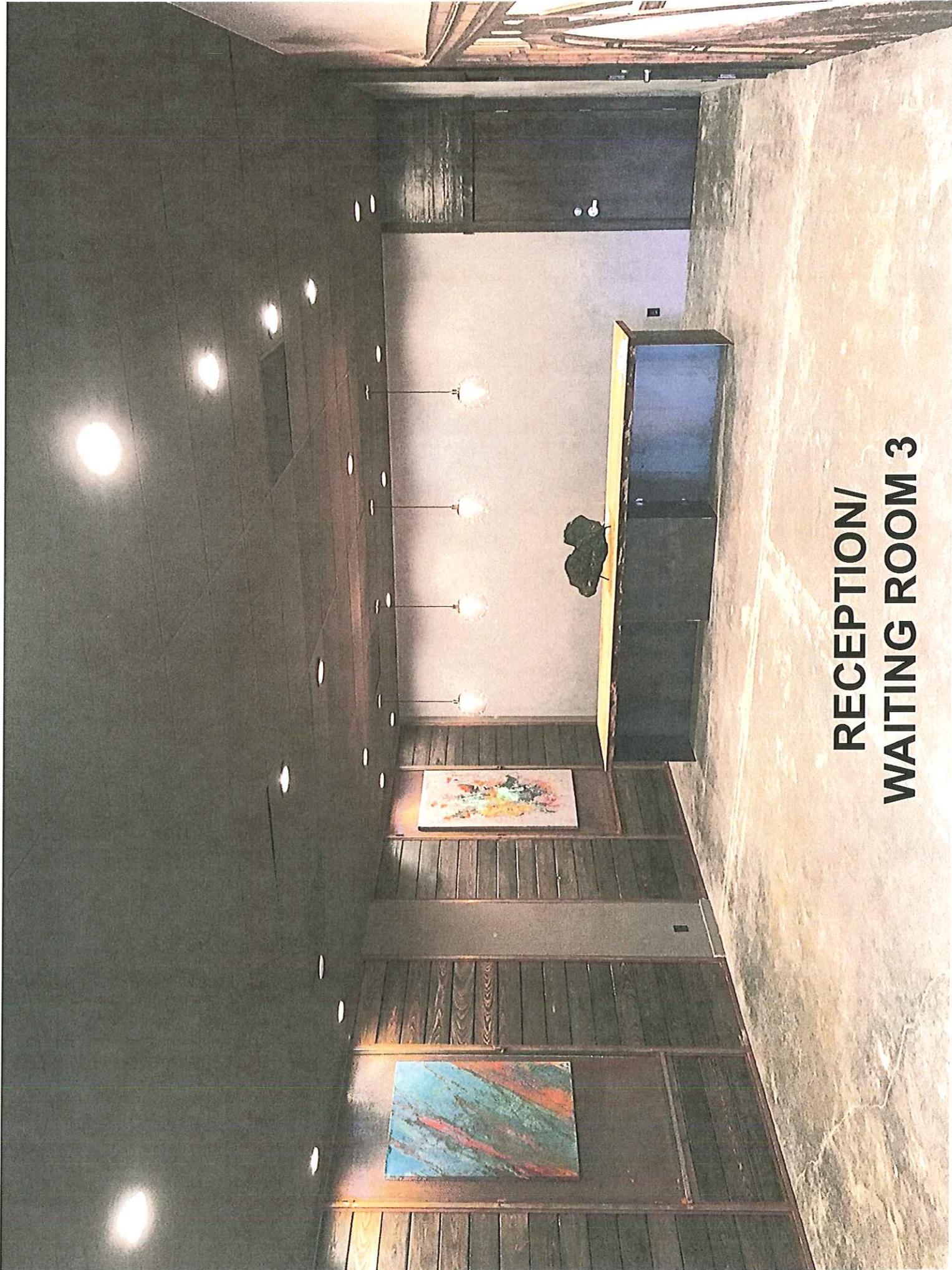




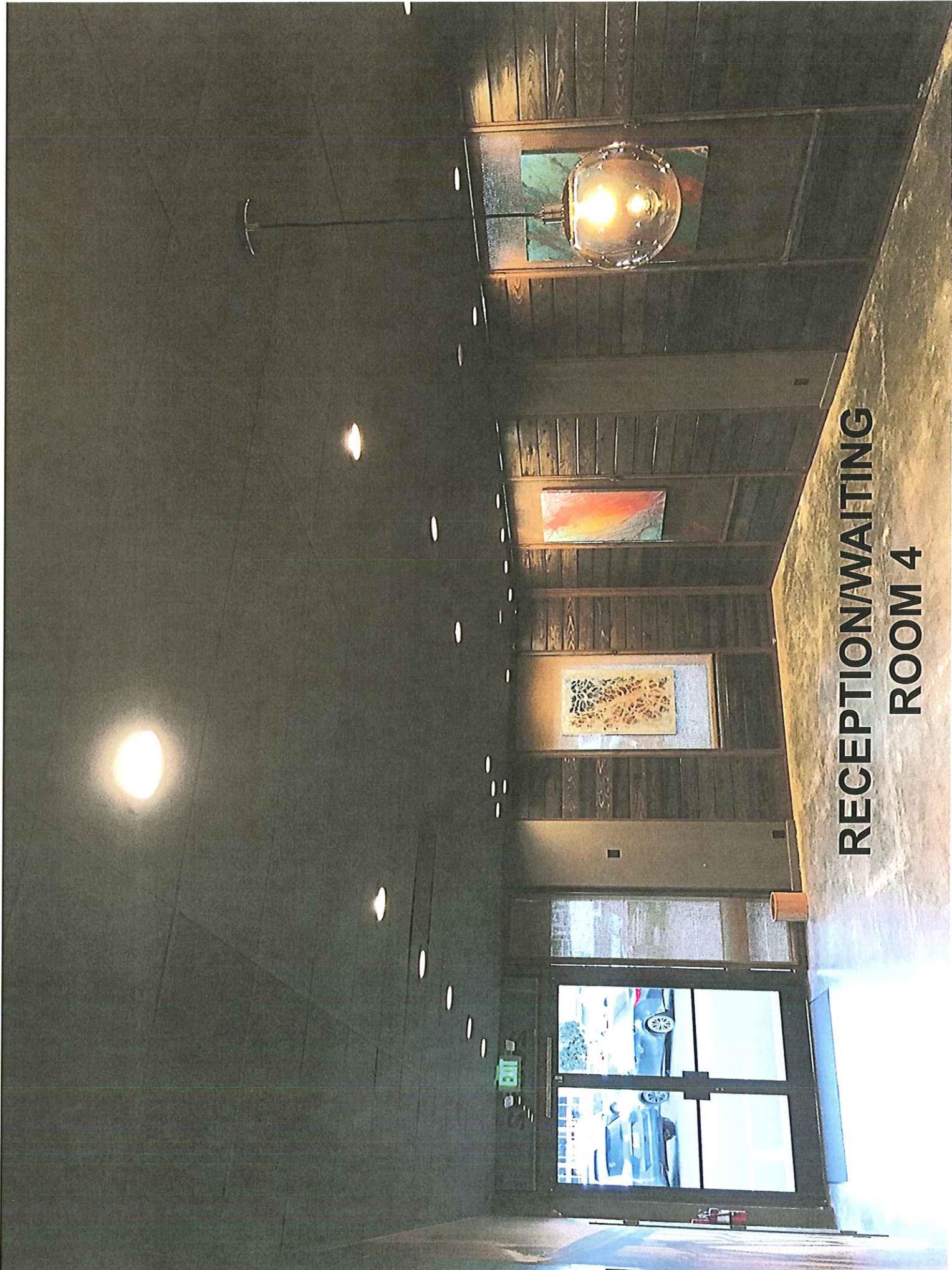
RECEPTION/WAITING ROOM



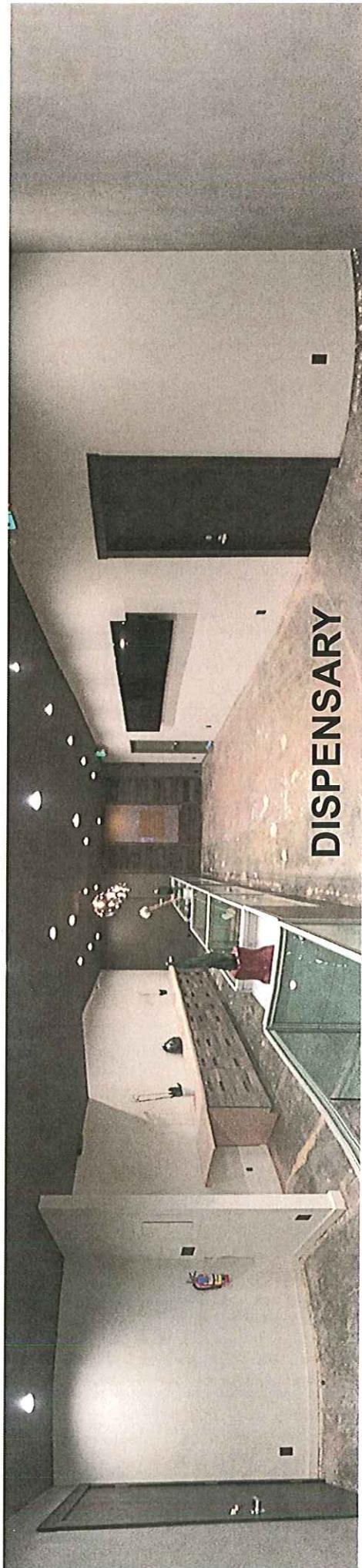
**RECEPTION/WAITING
ROOM 2**

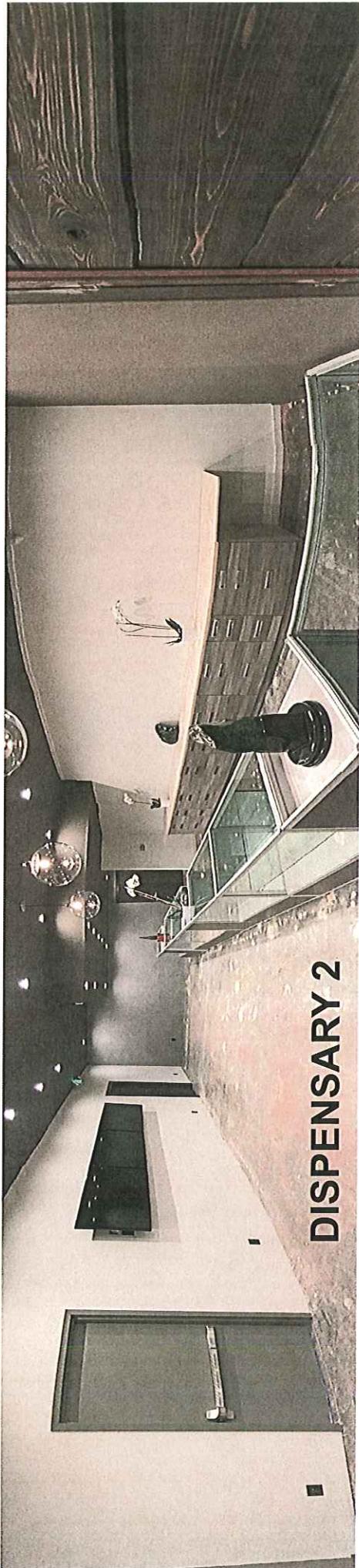


**RECEPTION/
WAITING ROOM 3**

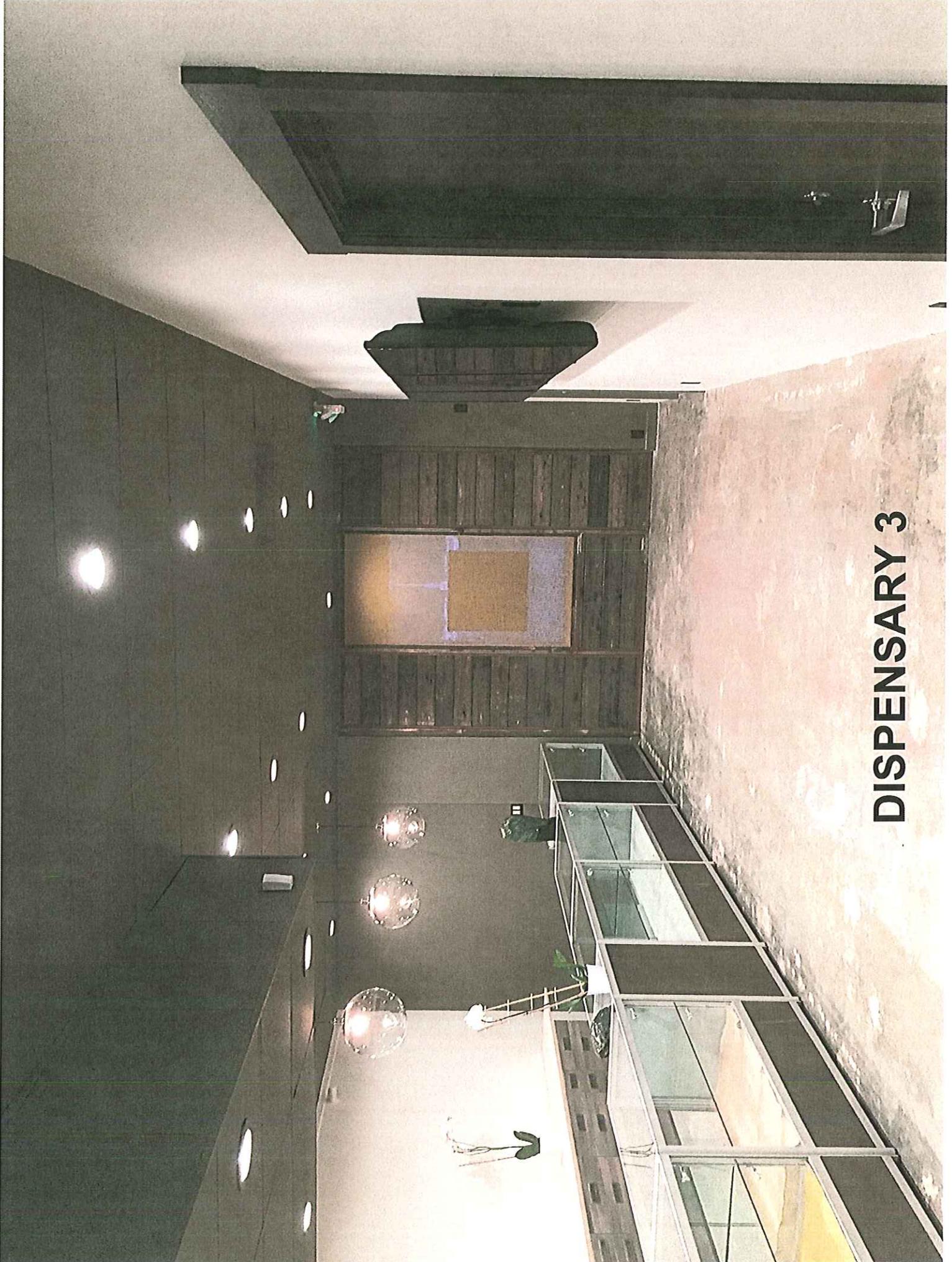


**RECEPTION/WAITING
ROOM 4**

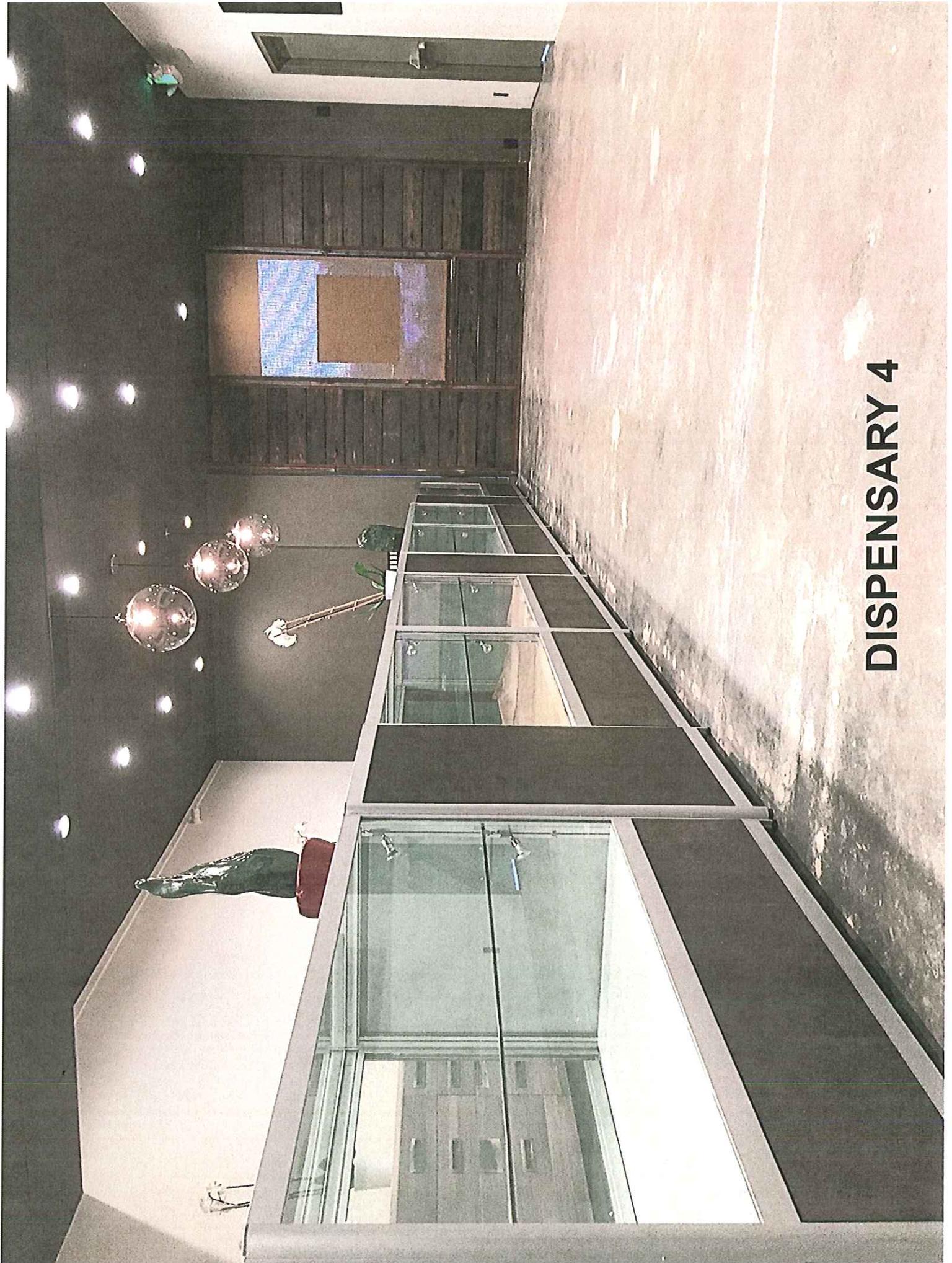




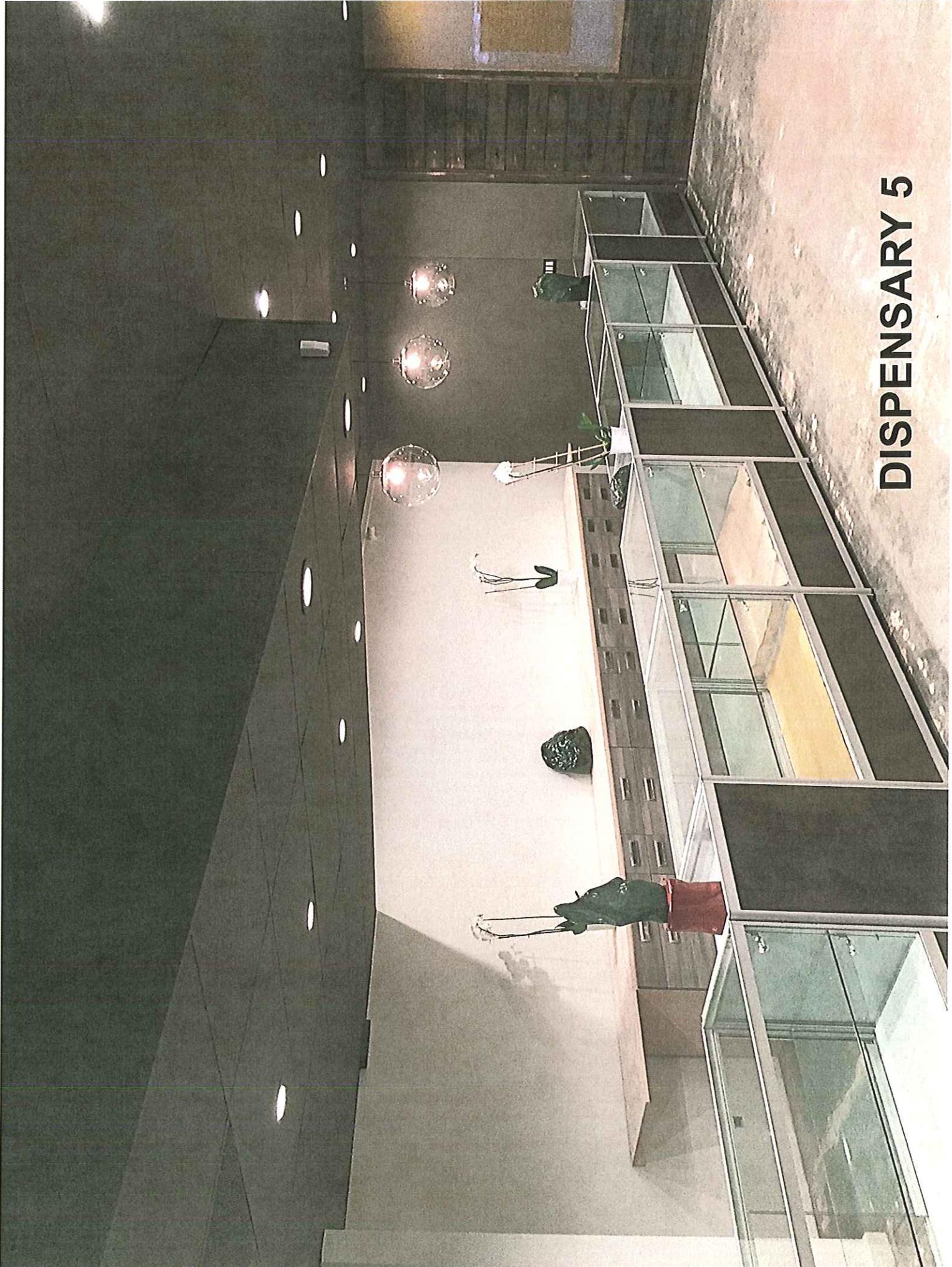
DISPENSARY 2



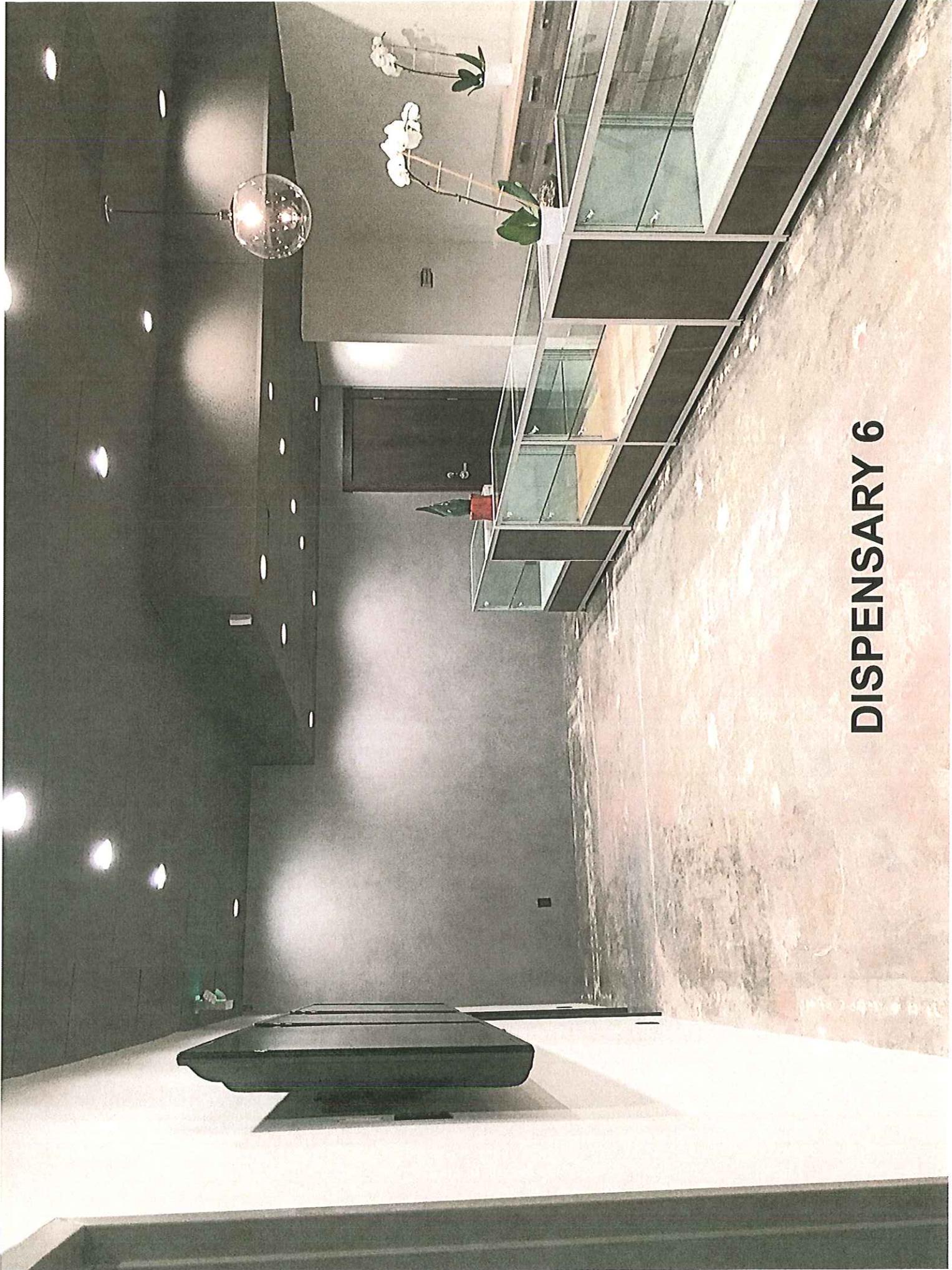
DISPENSARY 3



DISPENSARY 4



DISPENSARY 5



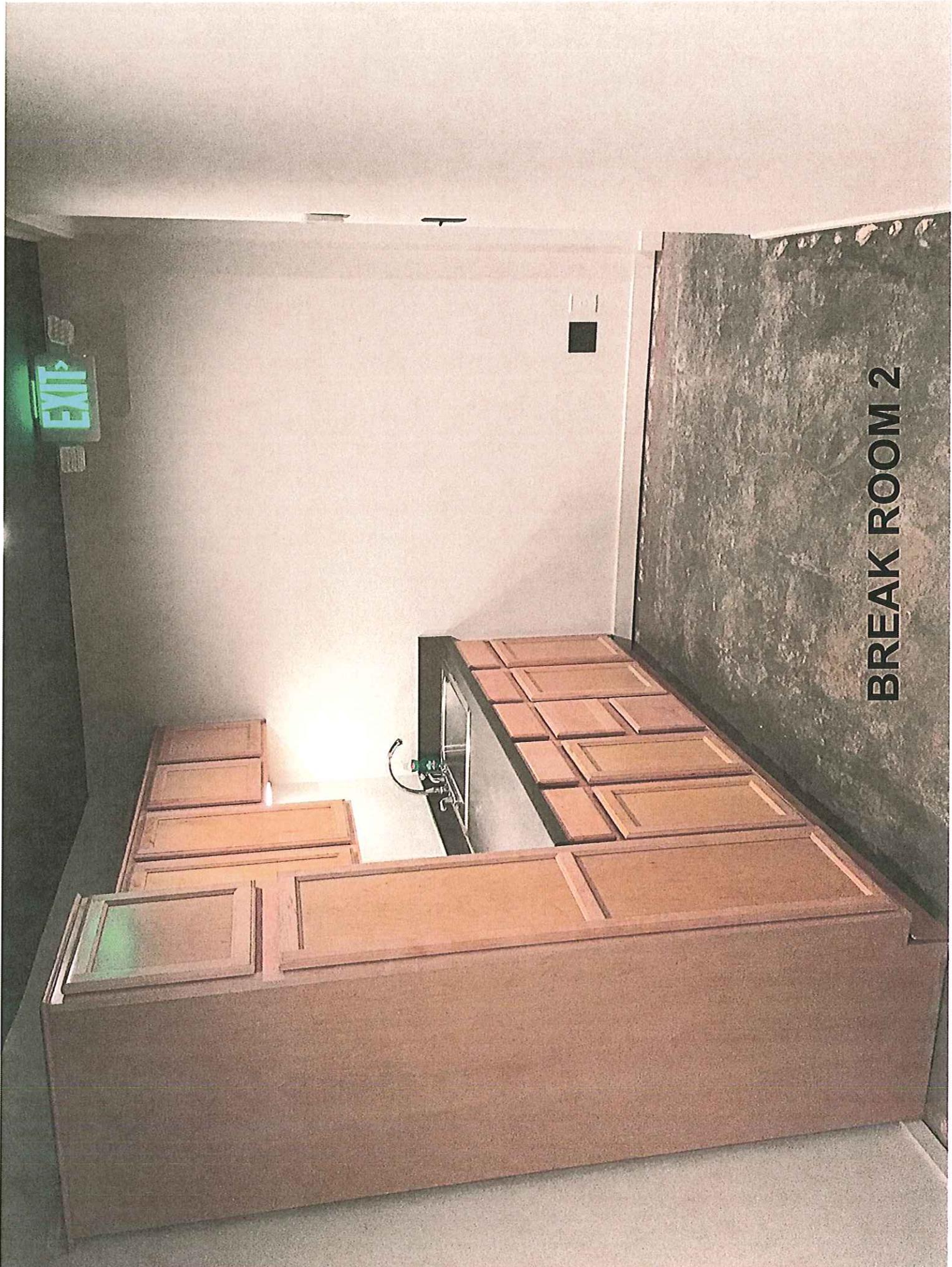
DISPENSARY 6



**BREAK ROOM
ENTRANCE**



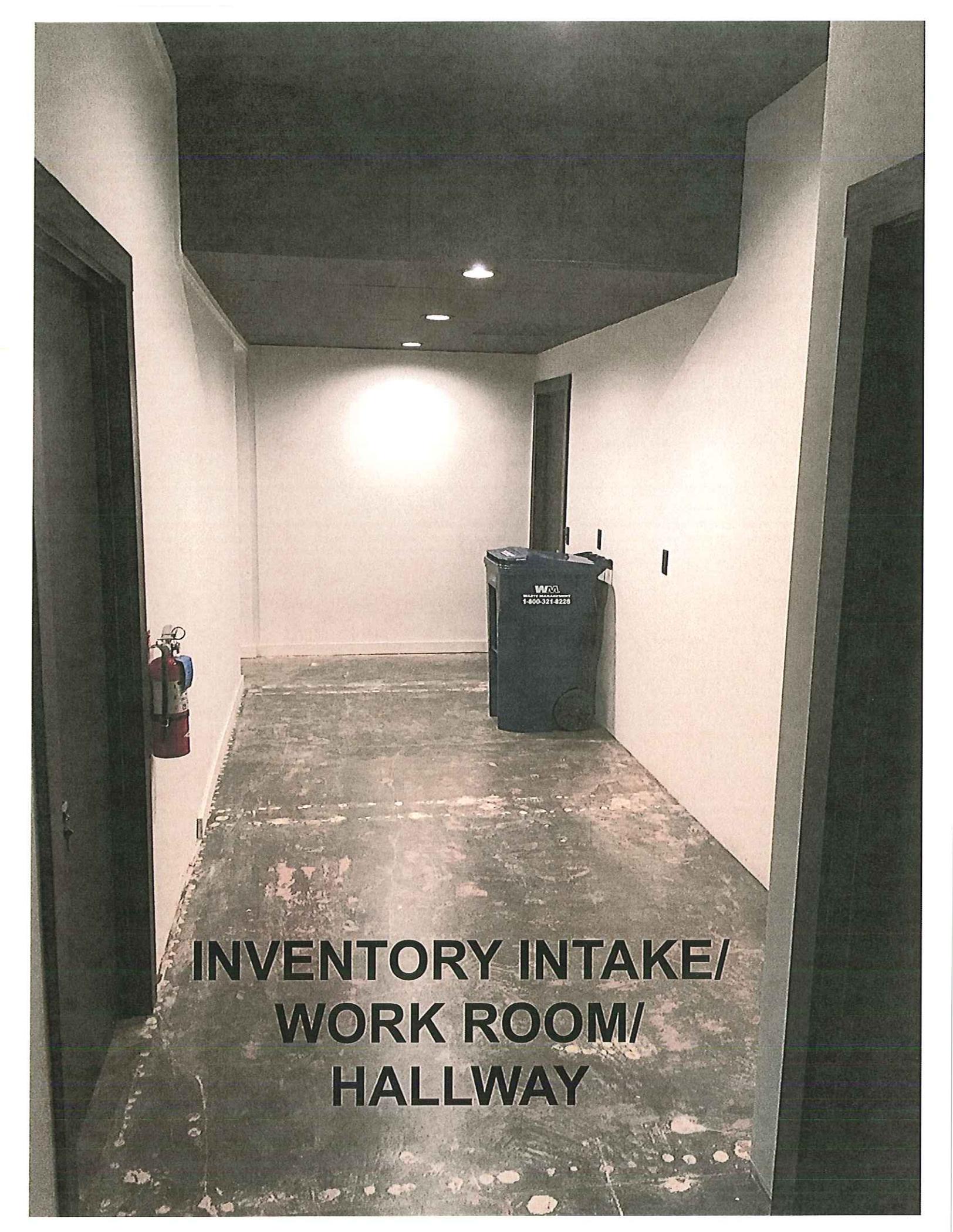
BREAK ROOM



BREAK ROOM 2



**INVENTORY INTAKE/
WORK ROOM/
HALLWAY**



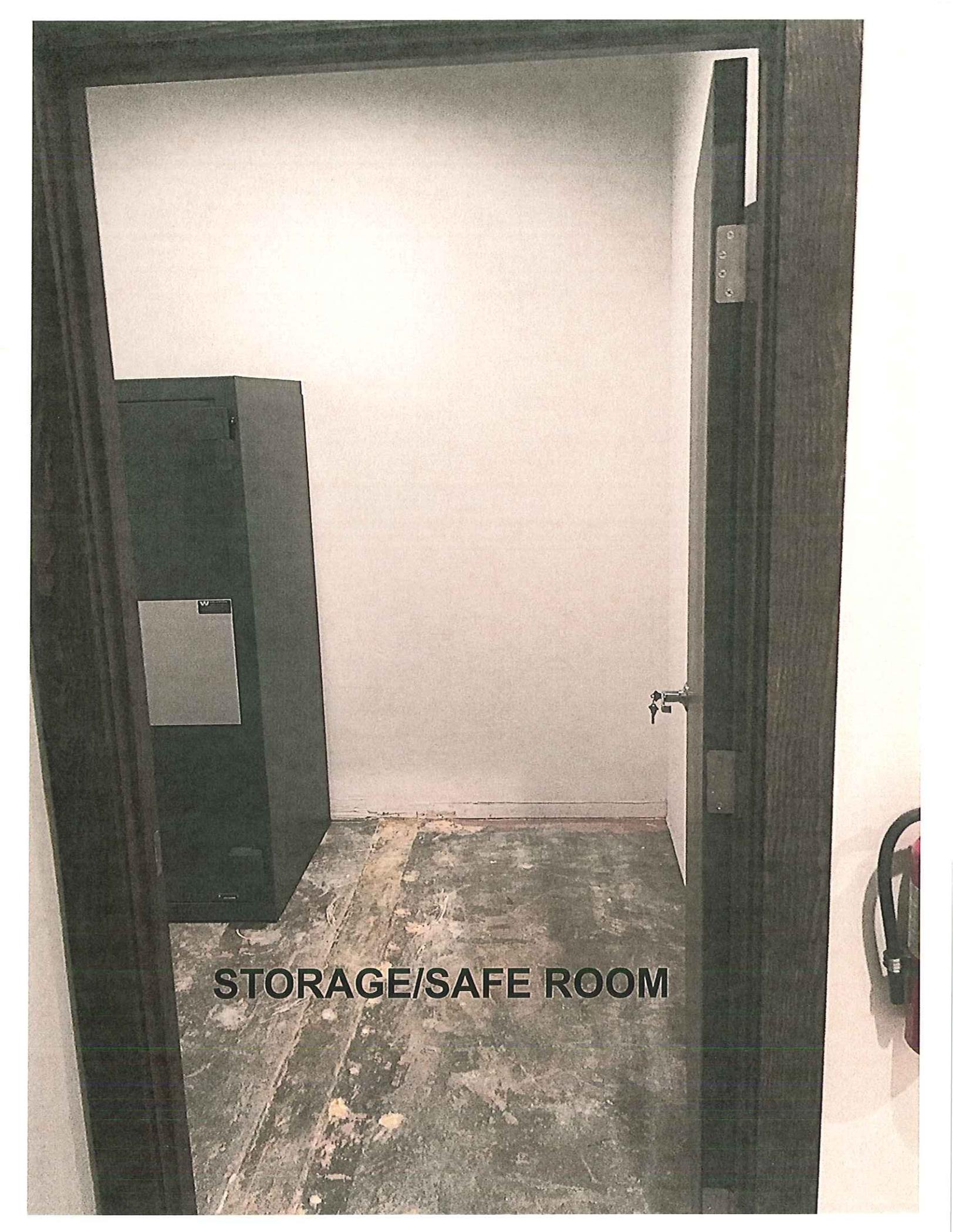
**INVENTORY INTAKE/
WORK ROOM/
HALLWAY**



VEIW FROM BREAK ROOM



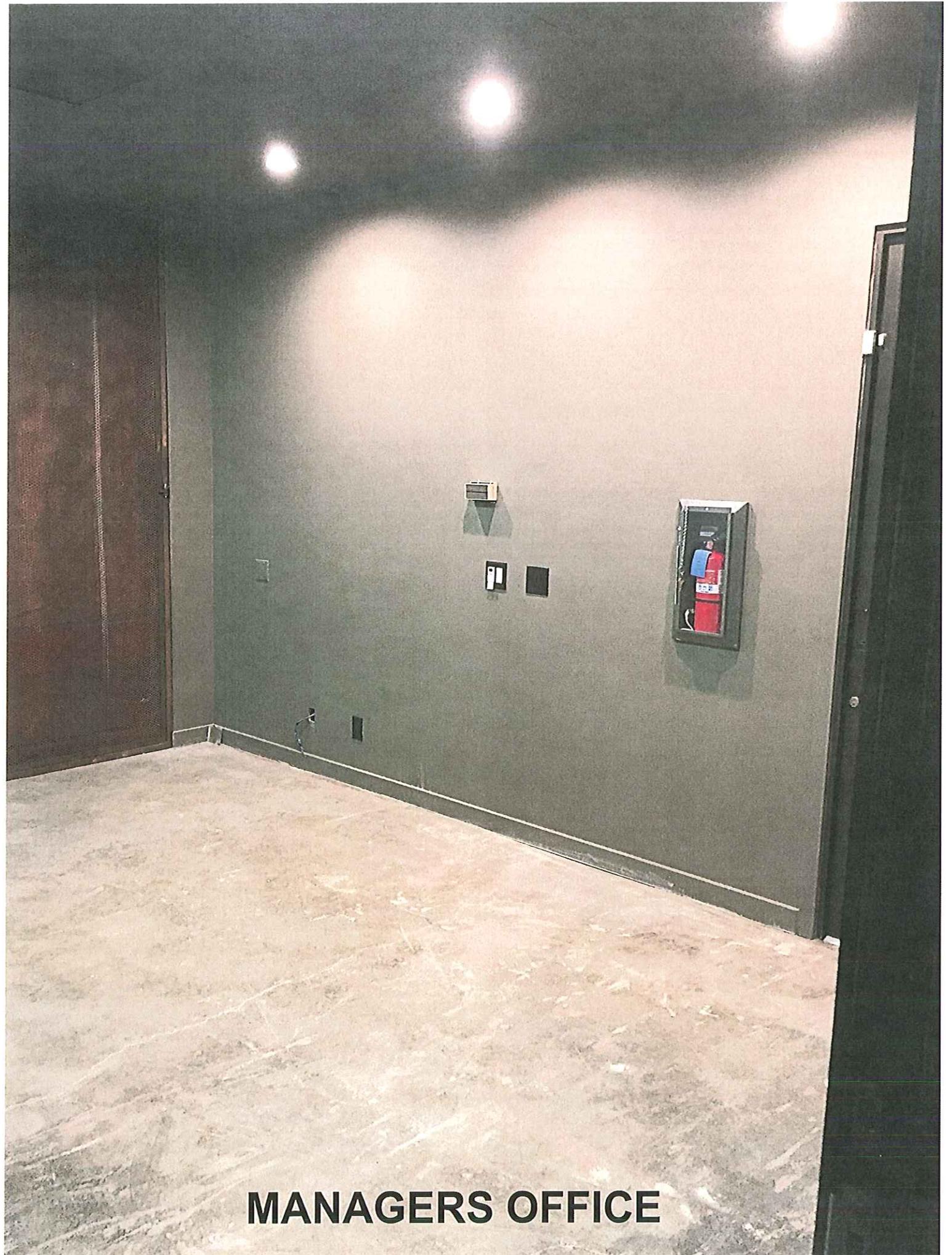
**STORAGE/SAFE ROOM
ENTRANCE**

A photograph showing the interior of a storage room. A dark, heavy door is open on the right side, revealing a room with a plain, light-colored wall. On the left side of the room, there is a tall, black metal safe. The floor is in poor condition, appearing to be made of concrete or stone with significant peeling, staining, and debris. The text "STORAGE/SAFE ROOM" is overlaid in bold, black, sans-serif font at the bottom center of the image. On the right wall, a fire extinguisher is partially visible.

STORAGE/SAFE ROOM

A black metal safe is positioned in a room. The safe has a silver control panel on its front door, featuring a circular dial, a smaller circular dial, and a circular handle. The safe is set against a light-colored wall. To the right, a dark wood door frame is visible, with a metal hinge on the edge. The floor is made of concrete and shows signs of wear and debris. In the bottom right corner, a portion of a red fire extinguisher is visible.

**STORAGE/SAFE
ROOM 2**



MANAGERS OFFICE



MANAGERS OFFICE 2



MANAGERS OFFICE 3

5. ELEVATIONS

The proposed project does not include changes to the exterior.

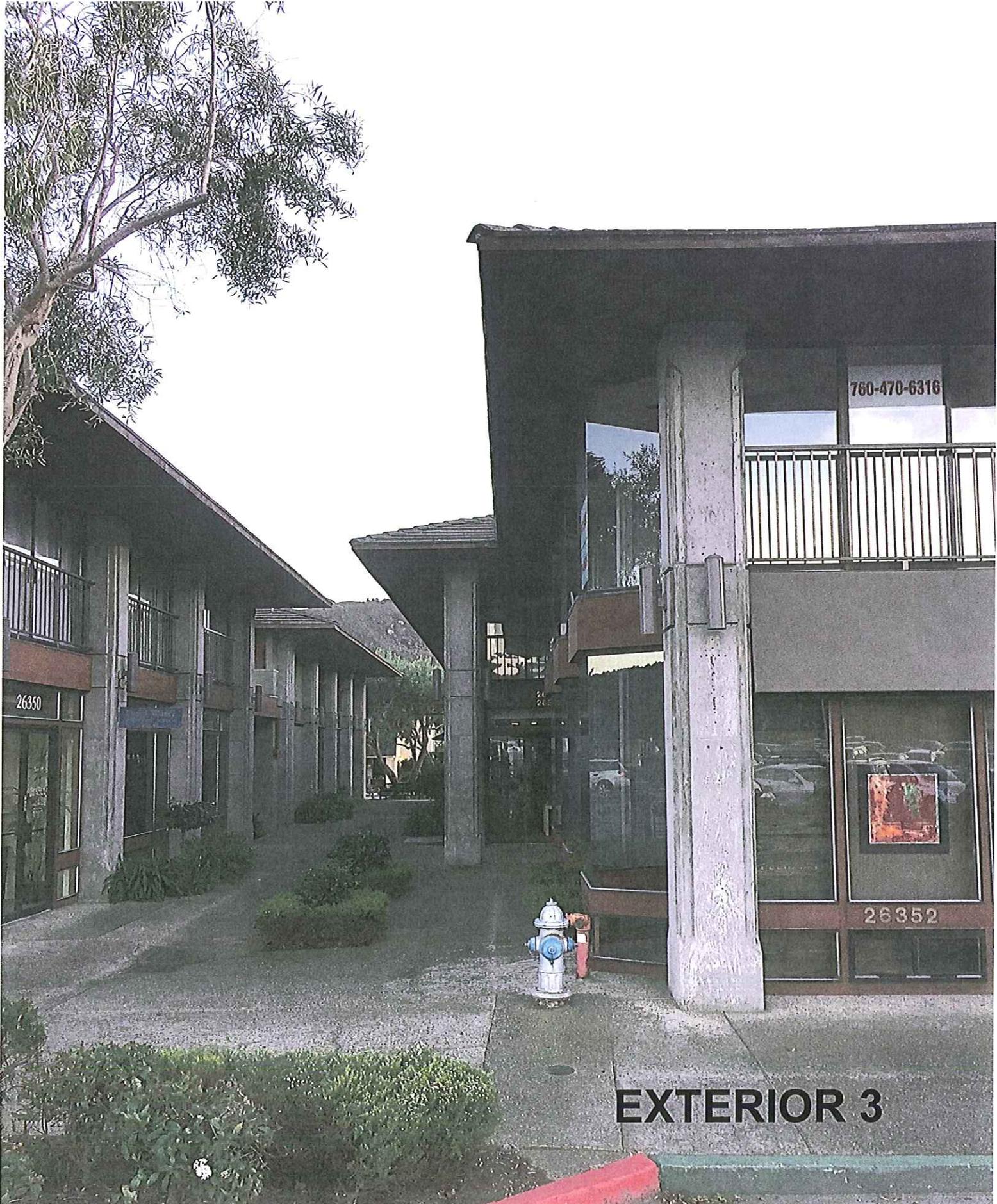
Please see the included photographs reflecting the current exterior design.



FRONT ENTRANCE EXTERIOR



EXTERIOR 2

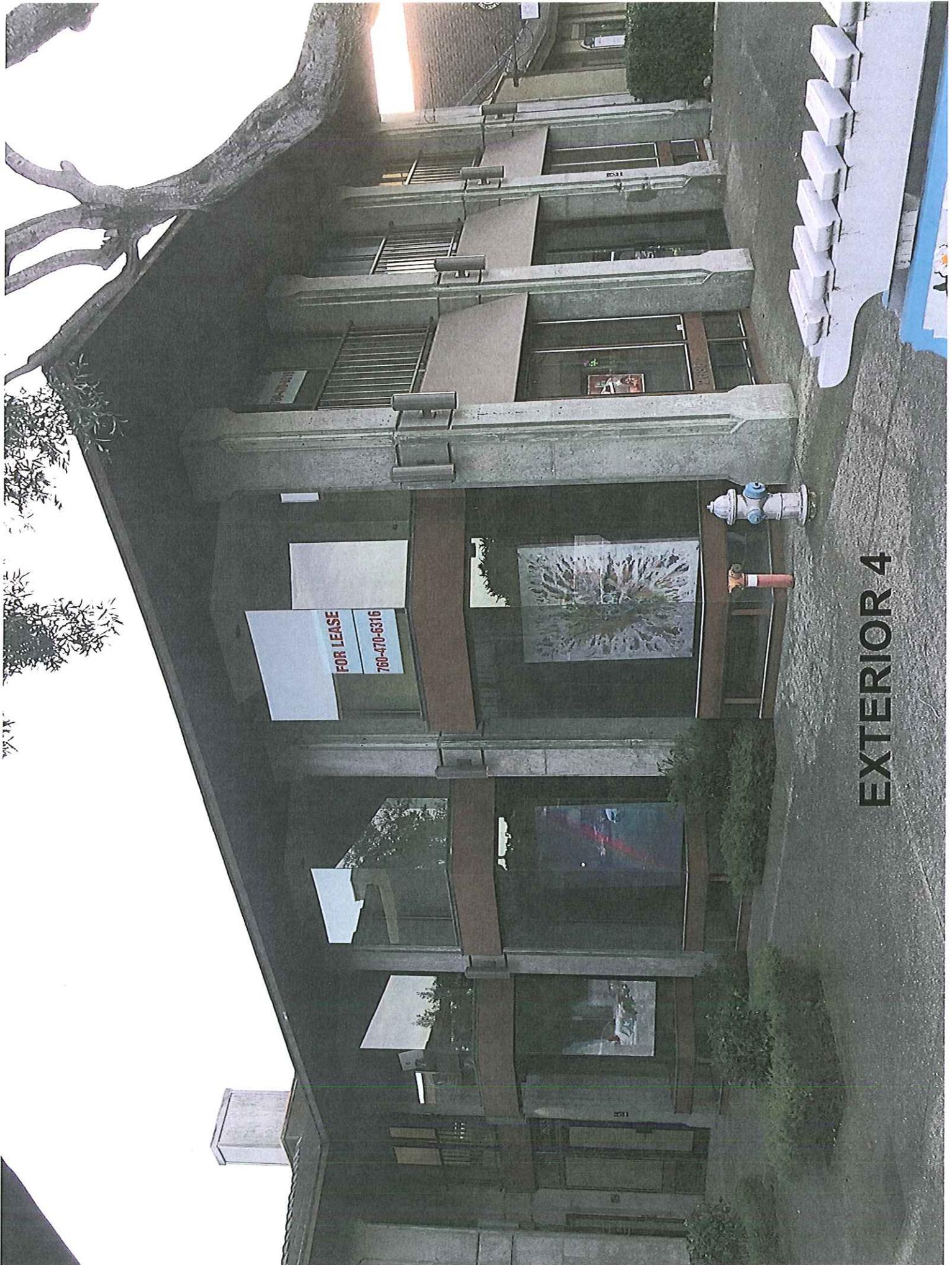


26350

760-470-6316

26352

EXTERIOR 3



EXTERIOR 4



EXTERIOR 5



EXTERIOR 6

FOR LEASE

760-470-6316

EXTERIOR 7

6

a

6. GENERAL DEVELOPMENT PLAN
6A. USES

The proposed use is a medical cannabis dispensary and delivery service.

b

GENERAL DEVELOPMENT PLAN

6B. HOURS OF OPERATION

Big Sur Cannabotanicals is currently open 6 days a week for business to qualified medicinal cannabis patients beginning at 10:00 am and closing promptly at 7:00 pm at their current location located at 26364 Carmel Rancho Lane, Suite 201, Carmel, California. In the new space located at 26352 Carmel Rancho Lane, Suite 100, Carmel, California, in the same building just below their current space, the proposed hours of operation will remain the same with the exception of being open 7 days a week. Staff will arrive at 9:00 am and meet onsite security personnel to prepare for the daily duties.

Upon closing the doors are closed to member patients, all staff duties are completed as soon as viable, and barring any extenuating circumstances the facility is generally secured and unoccupied no later than 7:30 pm. No personnel or activities are allowed without the presence of at least one designated security personnel. Alarms (both security and fire prevention) and surveillance systems will operate continuously 24 hours a day and are accessible remotely only by authorized personnel.

c

GENERAL DEVELOPMENT PLAN

6c. EMPLOYEES

The ideal target for employee positions and count are as follows:

General Manager (1)

Assistant Manager (1-2)

Security Director (1)

Security Specialist (1-2)

Front Desk Manager (1)

Front Desk Associate (1)

Patient Services (2-5)

Inventory Manager (1)

Inventory Associate (1-2)

Facilities and Janitorial (1)

d

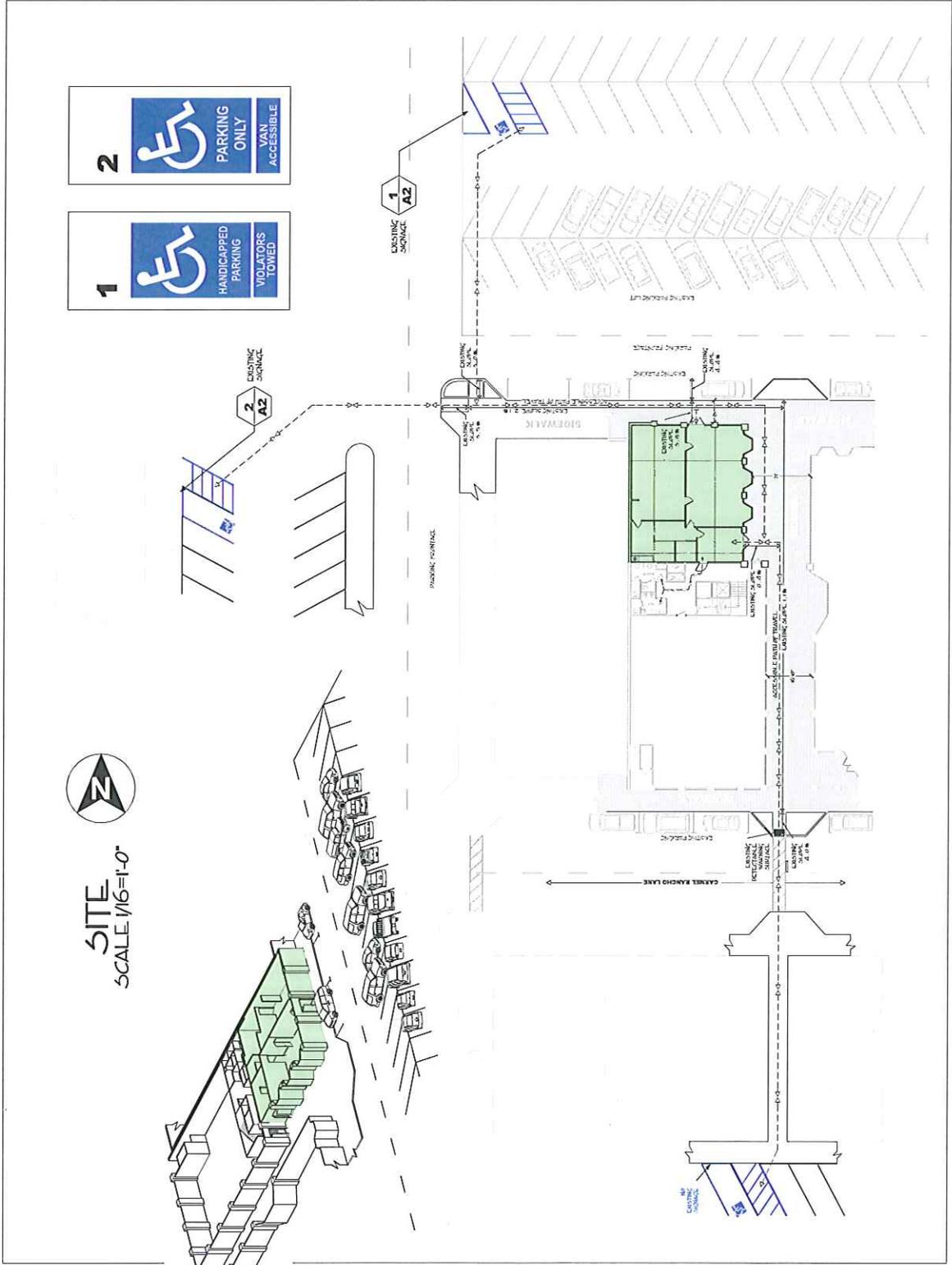
GENERAL DEVELOPMENT PLAN

6D. PARKING

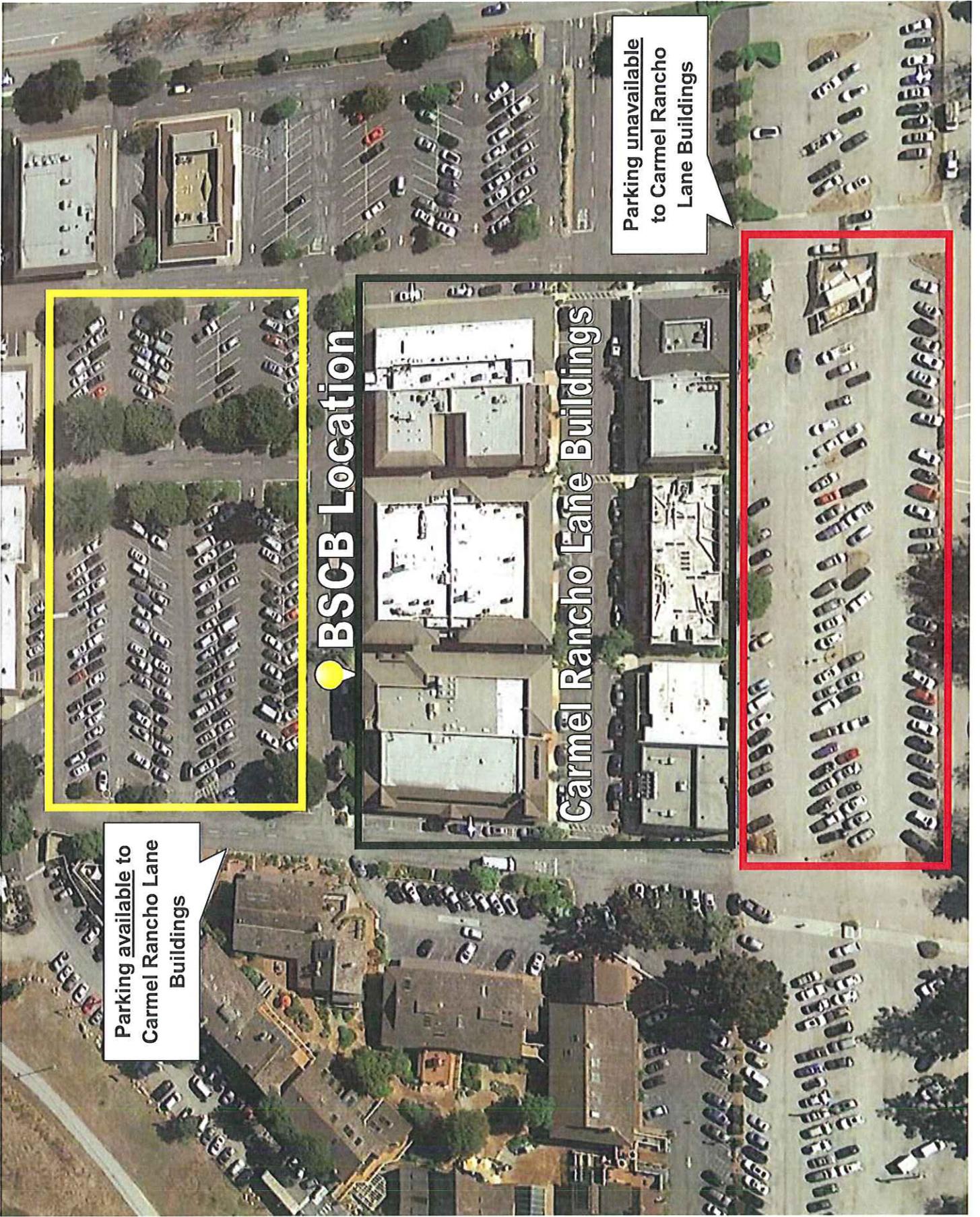
The goal of Big Sur Cannabotanicals is to avoid or lessen congestion to the extent possible in the streets and to promote the public safety and welfare by requiring off-street parking spaces for customers and employees.

With the proposed dispensary project all new project traffic would access the facility by way of parking in the Carmel Rancho parking lot and the surrounding parking areas. Within the proposed project it is not anticipated that there will be a significant impact on traffic given the nature of the surrounding business coupled with the amount of spaces currently available. There are currently 4 spaces directly in front of the dispensary's main entrance. In the immediate surrounding parking lot there are 8 rows or 152 spaces equally accessible to anyone who enters the parking lot. Adequate parking will be provided to serve individual uses in accordance with all requirements set forth by the Director of Planning.

Please see included parking maps.



SITE
SCALE 1/16"=1'-0"



 BSCB Location

Carmel Rancho Lane Buildings

Parking available to Carmel Rancho Lane Buildings

Parking unavailable to Carmel Rancho Lane Buildings

e

GENERAL DEVELOPMENT PLAN

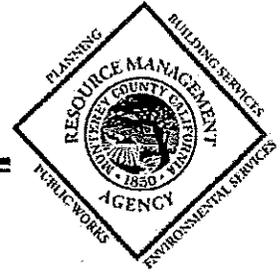
6E. TRAFFIC

Pursuant to Chad Alinio's letter dated January 27, 2017 this project is not required to evaluate potential traffic impacts nor is Big Sur Cannabotanicals required to submit a traffic analysis.

Please see Mr. Alinio's letter attached hereto.

MONTEREY COUNTY RESOURCE MANAGEMENT AGENCY

Carl P. Holm, AICP, Director



Building Services / Environmental Services / Planning Services / Public Works & Facilities
168 W. Alisal Street, 2nd Floor
Salinas, California 93901
(831)755-4800
www.co.monterey.ca.us/rma

January 27, 2017

Delivered to Applicant via RMA - Planning

Richard Catlin, Owner
7373 Almaden Lane
Carlsbad, CA 92009

Aram Stoney and John DeFloria, Applicants
Big Sur Cannabotanicals
225 Crossroads Boulevard, #212
Carmel, CA 93923

**SUBJECT: BIG SUR CANNABOTANICALS (PLN160803)
DEVELOPMENT REVIEW COMMITTEE (DRC)
RESOURCE MANAGEMENT AGENCY - PUBLIC WORKS AND
FACILITIES COMMENTS**

Dear Owner and Applicant:

Monterey County Resource Management Agency - Public Works and Facilities (RMA-PWF) has reviewed the development application for a new commercial medical cannabis business. The proposal is for a dispensary operation in an existing building space in a developed commercial center. The property is located at 26352 Carmel Rancho Lane, Suite 100, Carmel (Assessor's Parcel Number (015-012-055-000), Carmel Valley Master Plan.

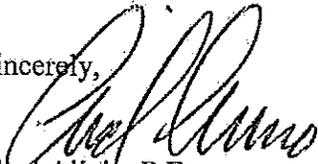
Based on review of the DRC application package and discussion at the January 24, 2017 DRC meeting, Public Works has no requirements or comments. It is our understanding that the proposed project does not include expansion of existing building structures, and the proposed use will remain consistent with the commercial use of the center. Because there is no expansion or any additional trips generated by a change in use, the project will not be required to evaluate potential traffic impacts or to submit a traffic analysis.

Direct access to the site is provided via existing private roadways/driveways through private property. Therefore, no access improvements along County right-of-way would be required.

If your project changes based on comments from the County and this DRC process, Public Works may need to review and provide feedback on any revised proposals.

If you have any questions or need additional information, please contact me at (831) 755-4937 or aliniocs@co.monterey.ca.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chad Alinio', written in a cursive style.

Chad Alinio, P.E.
Civil Engineer

cc: Dr. M. Qureshi, P.E., Traffic Engineer
R. Martinez, PWF-Traffic
Planning Department

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GENERAL DEVELOPMENT PLAN
6f. SITE DEVELOPMENT STANDARDS

This project is not proposing structural, building or esthetic changes. The previous use of the site was retail and the proposed use is retail in the current condition.

The construction building permit was applied for by the property owners and issued by the County on October 21, 2016. The permit occupancy type listed is M. The County of Monterey Building Services Department Inspection Card is also included and the permit was deemed final on December 12, 2016.

Please see attached building permit and final.



CONSTRUCTION PERMIT

MONTEREY COUNTY RESOURCE MANAGEMENT AGENCY

168 W. Alisal Street, 2nd Floor Salinas, CA 93901 831-755-5027

PERMIT NO.
16CP02369

THIS PERMIT SHALL EXPIRE IF WORK AUTHORIZED BY THIS PERMIT IS NOT COMMENCED WITHIN 365 DAYS FROM DATE OF ISSUANCE OR IF WORK IS SUSPENDED AT ANY TIME FOR MORE THAN 365 DAYS

1-27-17
P.B

SITE ADDRESS: 26352 CARMEL RANCHO LN, CARMEL, CA 93923	APN: 015-012-055-000	ISSUE DATE: 10/21/2016
USE: 437R Commercial Remodel	ZONING: LC-D-S-RAZ	OCCUPANCY: M
PERMIT TYPE: Combination	OWNER: CATLIN RICHARD M JR	CONSTRUCT TYPE: V-B
OWNER: CATLIN RICHARD M JR	ENGINEER: _____	MAX OCC LOAD: _____
PHONE: _____	PHONE: _____	LIC NO: _____
APPLICANT: JONES ROBERT	ARCHITECT: _____	# OF STORIES: _____
PHONE: 8312242161	PHONE: _____	EXIST FLR AREA: _____
EMAIL: ROBERT@RJ-CONSTRUCTION.NET	CONTRACTOR: R J CONSTRUCTION	NEW FLOOR AREA: _____
	PHONE: 8312242161	LIC NO: 750761
		HEIGHT: _____
		PRKNG REQ: _____
		PRKNG PROV: _____

SCOPE OF WORK:
Addition of conventional non-bearing interior walls, relocating existing grills, light fixtures, and adding new interior doors to new partitions.

VALUATION: \$168,468
FEES PAID: \$4,164.43
FIRE SPKLR REQD: No
CODE EDITION: 2013

LICENSED CONTRACTORS DECLARATION

I hereby affirm under penalty of perjury that I am licensed under provisions of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, and my license is in full force and effect.

LIC. CLASS: _____ LIC. NO: _____ SIGNATURE: _____ PRINT: _____ DATE: _____

OWNER-BUILDER DECLARATION

I hereby affirm under penalty of perjury that I am exempt from the Contractors' State License Law for the following reason(s) indicated below by the checkmark(s) I have placed next to the applicable item(s) (Sec. 7031.5, Business and Professions Code: Any city or county that requires a permit to construct, alter, improve, demolish, or repair any structure, prior to its issuance, also requires the applicant for such permit to file a signed statement that he or she is licensed pursuant to the provisions of the Contractor' State License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code) or that he or she is exempt from licensure and the basis for the alleged exemption. Any violation of Section 7031.5 by any applicant for a permit subjects the applicant to a civil penalty of not more than five hundred dollars (\$500):

I, as owner of the property, or my employees with wages as their sole compensation, will do () all of or () portions of the work, and the structure is not intended or offered for sale (Sec. 7044, Business and Professions Code: The Contractors' State License Law does not apply to an owner of property who, through employees' or personal effort, builds or improves the property, provided that the improvements are not intended or offered for sale. If, however, the building or improvement is sold within one year of completion, the Owner-Builder will have the burden of proving that it was not built or improved for the purpose of sale.

I, as owner of the property, am exclusively contracting with licensed Contractors to construct the project (Sec. 7044, Business and Professions Code: The Contractors' State License Law does not apply to an owner of property who builds or improves thereon, and who contracts for the projects with a licensed Contractor pursuant to the Contractors' State License Law.

I am exempt from licensure under the Contractor's State License Law for the following reason:

By my signature below I acknowledge that, except for my personal residence in which I must have resided for at least one year prior to completion of the improvements covered by this permit, I cannot legally sell a structure that I have built as an owner-builder if it has not been constructed in its entirety by licensed contractors. I understand that a copy of the applicable law, Section 7044 of the Business and Professions Code, is available upon request when this application is submitted or at the following Web site: <http://www.leginfo.ca.gov/calaw.html>.

SIGNATURE (Property Owner / Authorized Agent): _____ PRINT: _____ DATE: _____

WORKERS' COMPENSATION DECLARATION

WARNING: FAILURE TO SECURE WORKER'S COMPENSATION COVERAGE IS UNLAWFUL, AND SHALL SUBJECT AN EMPLOYER TO CRIMINAL PENALTIES AND CIVIL FINES UP TO ONE HUNDRED THOUSAND DOLLARS (\$100,000), IN ADDITION TO THE COST OF COMPENSATION, DAMAGES AS PROVIDED FOR IN SECTION 3706 OF THE LABOR CODE, INTEREST, AND ATTORNEY'S FEES.

I hereby affirm under penalty of perjury one of the following declarations:

I have and will maintain a certificate of consent to self-insure for workers' compensation, as provided for by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued. POLICY #: _____

I have and will maintain workers' compensation insurance, as required by Section 3700 the Labor Code, for the performance of the work for which this permit is issued. My workers' compensation insurance carrier and policy number are:

CARRIER: _____ POLICY #: _____

EXP. DATE: _____ NAME OF AGENT: _____

I certify that, in the performance of the work for which this permit is issued, I shall not employ any person in any manner so as to become subject to the workers' compensation laws of California, and agree that, if I should become subject to the workers' compensation provisions of Section 3700 of the Labor Code, I shall forthwith comply with those provisions.

SIGNATURE: _____ PRINT: _____ DATE: _____

DECLARATION REGARDING CONSTRUCTION LENDING AGENCY

I hereby affirm under penalty of perjury that there is a construction lending agency for the performance of the work which this permit is issued (Section 3097, Civil Code).

Lender's Name _____

Yes
 No Lender's Address _____

ASBESTOS NOTIFICATION

Notification in accordance with Section 19827.5 of California Health & Safety Code is not applicable to the scheduled demolition of this project.

Attached are copies of the required E.P.A. notification forms.

(INIT) I agree that any hazardous materials that may originate from this project, including asbestos containing material, will be managed in accordance with state regulations, and that no hazardous materials will be disposed with solid waste or recyclable material and hereby certify that the use of this facility shall comply with Sections 25505, 25533, and 25534 of the Health and Safety Code, which regulate the storage, handling and use of hazardous materials.

(INIT) I hereby certify that no building or structure will be constructed over an easement controlled by others.

By my signature below, I certify to each of the following: I am the property owner or authorized agent to act on the property owner's behalf. I have read this application and the information I have provided is correct. I agree to comply with all applicable county ordinances and state laws relating to building construction. I authorize representative of the County of Monterey to enter the above-identified property for inspection purposes.

SIGNATURE (applicant/agent): _____ PRINT: _____ ID: _____ DATE: _____

County of Monterey Building Services Department Inspection Card

Permit No. 11CP02369 Revision: _____ Office: (831) 755-5025
 www.co.monterey.ca.us/building



ALL PLAN REVISIONS MUST BE APPROVED BY THE COUNTY BEFORE PROCEEDING WITH THE CHANGE

POUR NO CONCRETE UNTIL ALL GROUND WORK IS SIGNED OFF				DO NOT COVER INTERIOR UNTIL ALL ITEMS ARE SIGNED OFF BELOW				DO NOT COVER WORK UNTIL INSPECTED AND SIGNED OFF			
Type	Insp	Date		Type	Insp	Date		Type	Insp	Date	
GROUND WORK											
110	Setbacks			FRAMING				MASONRY FIREPLACES			
111	Foundation/Footings			242	Rough Sprinkler			210	Foundation		
112	Hold-downs			160	Rough Framing	<u>ECR</u>	<u>10-25-16</u>	211	Throat/Damper		
113	Stemwalls			161	Rough Plumbing			212	Fire Box		
114	Caissons			162	Rough Mechanical			213	1 st Lift - Fireplace		
115	Slab			163	Rough Electrical	<u>EGP</u>	<u>10-25-16</u>	214	2 nd Lift - Fireplace		
116	Slab - Garage			164	Rough Gas			215	Chimney/Flue		
117	Piers			165	T-Bar Ceiling	<u>EGP</u>	<u>10-27-16</u>	218	Final Lift - Fireplace		
118	Grade Beams			166	Hydronic Tubing			219	Seismic Straps		
119	Concrete Encased Electrode Ground			INSULATION				221	Hearth		
MASONRY CMU											
120	1 st Lift - CMU			170	Wall Insulation			MISC. INSPECTIONS			
121	2 nd Lift - CMU			171	Ceiling Insulation			260	Struct. Observation		
122	3 rd Lift - CMU			172	Roof Insulation			265	Special Inspection		
123	Final Lift - CMU			174	Insulation Certificate			270	Miscellaneous		
UNDER FLOOR/SLAB											
130	Framing			WALL COVERING				272	Progress		
131	Shear Transfer			180	Sheet Rock	<u>ECR</u>	<u>10-27-16</u>	421	Excavation		
132	Plumbing			181	Fire Separation			422	Fills		
133	Mechanical			182	Ext. Lath			425	Retaining Walls		
134	Insulation			183	Ext. Scratch			UTILITIES			
135	Gas Test			184	Shower/Tub Lath			250	Temp Elec. Auth.		
136	Electrical			SWIMMING POOL				252	Perm Elect Auth.		
ROOF											
140	Roof Sheathing			200	Setbacks			253	PG&E Called Elec.		
143	Shear Transfer			201	Pool Steel/Pre-Gunite			254	Gas Meter Auth.		
SHEAR											
150	Interior Shear			202	Electrical Bonding			255	PG&E Called Gas		
151	Exterior Shear			203	Pre-deck			256	LPG Connect Auth.		
NOTES:											
280 Permit Finaled by: <u>SS/MPMS</u> Date: <u>12/12/16</u>											
Inspector Name (Print)											

By initiating below, I acknowledge that I have received, understand and am in agreement with the following:
 Inspections associated with validated complaints of your project not being in conformance with approved permits will require additional inspection fees
 All outstanding inspection fees shall be paid prior to final inspection.
 During the rainy season, October 15th through April 15th, active construction sites in the Carmel Bay Area of Special Biological Significance Watershed Protection Area are required to be inspected weekly. All outstanding inspection fees shall be paid prior to final inspection.

(Initial) _____

GENERAL DEVELOPMENT PLAN
6G. SIGNS

Signage for Big Sur Cannabotanicals will remain consistent with neighboring businesses and conform to the criteria set forth by the Monterey County Cannabis Regulations and the Carmel Rancho Merchants Associations.

The signage will consist of:

- A wooden sign hung from a wrought iron hanger.
 - Big Sur Cannabotanicals logo cut out, sandblasted and painted.
 - Approximate size 3' x 2'
- A window decal to display hours of operation placed on the front door.
- A "green cross" window decal, also placed on the front door.
- Letter sizing for hours of operation decals will be approx. 1" and will be white. It will most likely read:
 - Open Daily
 - 10am - 7pm
- The green cross will be green, and will be approx. 12"x12".



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GENERAL DEVELOPMENT PLAN

6H. LANDSCAPING PLAN

The proposed project does not involve landscape design as no alterations to the current landscape are being proposed.

Please see the included photographs of the current landscape design in Section 5.

GENERAL DEVELOPMENT PLAN
6I. EXTERIOR LIGHTING PLAN

This project does not include proposed changes to the current exterior lighting plan.

Please see the included photographs reflecting the current exterior lighting plan in Section 5.

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GENERAL DEVELOPMENT PLAN
6J. HAZARDOUS MATERIAL QUESTIONNAIRE

Please see attached hazardous material questionnaire.

HAZARDOUS MATERIAL QUESTIONNAIRE

ASSESSOR'S PARCEL NUMBER 015.012.055

BUSINESS NAME Big Sur Cannabotanicals TYPE OF BUSINESS Commercial cannabis dispensary
SITE LOCATION 26352 Carmel Rancho Blvd CITY Carmel

MAILING ADDRESS 225 Crossroads Blvd, #212 Carmel, CA 93923

BUSINESS CONTACT Aram Stoney (831) 224. 3075

PROPERTY OWNER Richard Catlin NAME (760) 470.6315 PHONE

- 1. Will your business/proposed project be using any hazardous materials such as oil, fuels, solvents, compressed gases, acids, corrosives, pesticides, fertilizers, paints or other chemicals.
[] YES [✓] NO
- 2. Will your business/proposed project be using hazardous materials in quantities of 55 gallons and above for liquids, 500 lbs. and above for solids and or 200 cubic feet and above for compressed gases.
[] YES [✓] NO
- 3. Will your business/proposed project be using any quantities of acutely hazardous materials such as ammonia, chlorine, formaldehyde, hydrogen peroxide, methyl bromide or other restricted pesticides.
[] YES [✓] NO
- 4. Will your business proposed project be using underground storage tanks to store hazardous materials.
[] YES [✓] NO
- 5. Will your business/proposed project be generating any quantities of hazardous waste such as waste oil, waste solvents, etc.
[] YES [✓] NO
- 6. Will you business/proposed project be emitting any hazardous air emissions.
[] YES [✓] NO

CERTIFICATION:
I declare under the penalty of perjury, under the laws of the State of California, that the foregoing is true and correct to the best of my knowledge and belief.

ANY QUESTIONS REGARDING THIS FORM CAN BE DIRECTED TO:
Monterey County Health Department
Division of Environmental Health
1270 Natividad Road, Room 301
Salinas, CA 93901
(831) 755-4511

Executed At: Carmel, CA
City, State

PRINT NAME OF OWNER/OPERATOR _____
SIGNATURE OF OWNER/OPERATOR Jennifer Rosenthal Iverson - Attorney

FOR LOCAL JURISDICTION USE ONLY

- 1. Is there a known or proposed school, hospital, day care, or long term care facility within 1,000 feet at this site.
location. [] YES [] NO
- 2. Is there a known or proposed school, hospital, day care, or long term care facility within 1/4 mile of this site
location? [] YES [] NO

Health Department Clearance Signature: _____ Date: _____
Print Name and Title: _____
Air Pollution District Clearance Signature: _____ Date: _____
Print Name and Title: _____

k

GENERAL DEVELOPMENT PLAN

6K. SECURITY PLAN

Security is a primary focus in all aspects of the operation of Big Sur Cannabotanicals. All operational procedures have been developed and outlined in conjunction with a separate comprehensive security plan produced under the direction of Divinity Protection Services. Any additional measures or changes to the proposed security plan required by Monterey County Sheriff's Office will be implemented upon request.

Please see our attached security plan.

SECURITY PLAN

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INTRODUCTION

FACILITY SECURITY

Physical Building

Location and Building Specifications

Floor Plan

Lighting

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Access Conditions for Staff and Non-Staff Business Associates

Patient and Designated Caregiver Access

Non-Patient Public Access

Internal Access-Point Control

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Video Surveillance

Third-Party Monitoring

Intrusion and Motion Detection

Burglary Alarm System

Alarm Testing

Panic Buttons and Internal Communications

Fire Security

Maintenance and Testing

Policies and Procedures for Facility Security

Incident Management and Emergency Response

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Closing Procedures

Preventing Theft & Non-Diversion

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OPERATIONS SECURITY

A. Workforce Security

Staffing Structure and Current Employee Roster

Background Checks

Training and Drills

Personnel Records

Limited Cash Operation

Business Hours

Inventory Security

Sale

Storage and Transportation

[Visibility](#)
[Disposal of Unused or Surplus Medical Marijuana](#)
[Record Keeping](#)
[Information Systems Security](#)
[Securing Data](#)
[Patient Health Information](#)

This is the written Security Plan for Carmel Dispensary. This plan addresses and meets the application requirements.

INTRODUCTION

We understand that security is of paramount importance. We are keenly aware of the added security challenges that a business of this nature faces, and we have taken extensive measures to have professionally-vetted policies, procedures, and systems in place to provide comprehensive protection, for employees and patients.

We have named Divinity Protection Services (“Security Agent”) as the dispensary agent in charge of security.

Divinity Protection Services LLC (DPS), formed in 2014, provides high level security services, consulting and training to companies, government agencies, organizations and private individuals.

DPS provides clients with custom, tailored security solutions that are progressive and in line with emergent threats, social trends and irregular “acts of the unknown.” With business continuity, safeguarding personnel, and assets in consideration we have assembled a unique team of experts to address all security concerns-- physically, and or with "smart" technology solutions. DPS only provides high caliber security professionals. Our founders and core management team are former military Special Forces, federal agents and law enforcement. Our agents have conducted protective operations in all 50 states and combat operations in over 110 countries and six continents during their careers. Our agents are trained in martial arts, tactical driving, crisis management, small weapons use, and first aid. We maintain a domestic and global network for our clients travel protection needs.

DPS services include estate security, corporate protection, hostile employment termination, high value property protection, precious cargo movement, threat assessment and personal protection for domestic and international travel.

DPS provides trained armed agents to protect grow operations with on-site monitoring 24/7. Our agents understand the cannabis business and are trained to maintain the confidentiality of all our clients.

OPERATIONS SECURITY

Making sure that our routine operations follow secure procedures is as important as physically securing each facility and having emergency response procedures in place. Consistent, proactive operational security policies and procedures greatly reduce the likelihood that emergencies will arise.

A. Workforce Security

Staffing Structure and Current Employee Roster

We expect to employ at least 5 people at the dispensary. A breakdown of the positions by title and job description is found in the Staffing Plan. For any positions that have already been filled, we provide the names and biographies of the persons hired.

Background Checks

We will perform background checks on all employees, volunteers, principals, directors, and board members. We will also perform background checks on any contractors or vendors who regularly work within the facility or will be employed there for an extended time. Copies of any public records obtained through the background check process will be provided to the individual concerned. To ensure transparency, the entire background checking process will be conducted by a third-party.

We will not employ anyone who has been convicted of a felony. Also, we elect not to engage any contractors or vendors who would have access on a regular basis or for an extended time to restricted areas of our facility if they have been convicted of any felony offenses.

Training and Drills

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

- Medical marijuana laws and regulations,
- Patient privacy, confidentiality, and secure electronic record keeping,
- Procedures for patient reception and registration,
- Procedures for product sales, and
- Personal safety, fire safety, and crime prevention.

Employees will be tested on training content and must pass the test by their third attempt in order to remain employed. All staff will also go through periodic refresher seminars, as well as new training on any policy updates or changes in procedure. All emergency procedures will be rehearsed in periodic drills.

In addition to training and periodic drills, all employees will receive official Company reference material, written in plain English (Spanish versions will also be available) and presented in an easy-to-use outline format, explaining all our operational, safety, and security policies and protocols.

In developing our official safety and security policies, we will consult with local law enforcement. We will also work with local police to develop effective ongoing employee training seminars and practices. Especially in developing our policies and training procedures on crime prevention and security threat response, we will seek the involvement of local law enforcement.

Personnel Records

We will maintain personnel records for each employee, agent, or volunteer that includes:

- Application,
- Documentation of all required training,
- A signed statement from the individual indicating the date, time, and place that he or she received training and the topics discussed, including the name and title of the presenters, and
- Record of any disciplinary action taken against employee at any time during employment.

These personnel records will be maintained for a period of at least six months past the end of the individual's affiliation with us.

Limited Cash Operation

Cash payments will be directly deposited into a drop slot safe, limiting the amount of cash circulating at the dispensary. The money will be removed from the safe and counted daily in a locked room. Access to the dispensary will be limited to employees during all safe transfers. Two employees are required to be present during this time. The cash will then proceed to the appropriate bank in a locked container at least three times per week. Access to the container will require both an electronic keypad password and a passcode. Security cameras will oversee this entire process to insure everything taking place is accountable.

Business Hours

Our cultivation facility shall not be open to the public. The cultivation portion of the facility will operate twenty-four (24) hours a day. We shall permit only a registered director, officer, member, incorporator, agent, manager, employee, or government or law enforcement official on the registered premises of our cultivation center.

Our dispensary shall operate and sell medical marijuana Monday through Saturday from 10:00am to 7:00pm and will be closed on Sunday.

Our cultivation center hours of operations will be conducted by the permit type which is consistent with the essential hours in order to operate the facility and/ or which will be operated between regular business hours from 8am-8pm Monday-Sunday except for dispensary operations or delivery service hours which shall not be open on Sundays and shall only operate within the hours as prescribed by the ordinance.

A. Inventory Security

Sale

The inventory tracking and control system associates every product sold with a single transaction, a single patient or caregiver, and a single dispensary agent.

All sales take place under camera surveillance that captures inventory movement as well as the faces and identifying features of the patient (or designated caregiver) making the purchase and the dispensary agent making the sale.

Storage of product and money

All harvested medical marijuana and money will be stored in high-security fire-proof safes. Inventory will be removed from the storage safes only for the purpose of immediate transport, immediate sale or transfer of money to banks for deposit. Our fireproof safes will be waterproof with all steel construction, inside and outside. Our storage safes will represent top quality for safety and fire protection. The storage area shall have a volumetric intrusion detection device(s) installed and connected to the facility intrusion detection system. The safe shall be a UL listed burglar-proof safe with a minimum rating of TL-30. Safes weighing less than seven hundred fifty pounds (750 lb.) shall be installed in a steel clad concrete block or otherwise securely anchored to a fixed part of the facility structure.

Transportation of product or money

Before product or money can be moved, inventory and tracking paperwork must be completed and signed off by a manager. All packages will have tampered sealed tape to alert if a package has been tampered with. Depending on size of inventory a low profile SUV or van will be used with an additional chase (fallow) vehicle.

DPS will provide two (2) security agents who will sign for packages once loaded into transport vehicles. DPS Security will be responsible to safely transport product to destination and sign delivered paperwork with onsite manager and or follow bank policies and procedures.

Visibility

Medical marijuana or paraphernalia will not be visible from any public or other property not owned by us.

Disposal of Unused or Surplus Medical Marijuana

We intend to dispose of unused or surplus medical marijuana and its by-products by grinding and incorporating the marijuana waste with non-consumable, solid wastes such as paper, plastic, cardboard, food, grease or other compostable oil, and other waste approved by the State Licensing authority that will render the Medical Marijuana and Medical Marijuana Infused Product as unusable and unrecognizable as marijuana.

We shall report any stolen or lost medical marijuana by filing a police report by calling 911 or in person with the Police District where our registered business resides either in person or in writing within twenty-four (24) hours of becoming aware of the theft or loss.

General Trash

All trash will be kept in a locked portion of the facility and will be taken out by an employee on the day and time the local trash is picked up in order to prevent anyone from rummaging through it.

Record Keeping

We will keep meticulous records, complying with local, state, and federal laws and regulations regarding patient records, inventory records, and transportation records. Transport agents will carry with them a copy of the transport authorization and control data (the "transit slip") during transport of medical marijuana. All inventory control records and records of inventory transfer, transport, and delivery will be kept for five years and made available to the County and authorities on request.

B. Information Systems Security

Securing Data

Our data and information are as valuable as our products. We will take both ordinary and extraordinary measures to protect our information systems and keep our data secure.

Ordinary measures are:

- Using virus protection, spam-filtering, and firewalls
- Keeping software and OS updated
- Using passwords and changing them frequently
- Using secure wireless networks
- Restricting web browsing
- Initiating frequent and secure data backups

We will limit access to our network by using unique user passwords and by restricting IP addresses and MAC addresses to specific computers. The use of third party email, web, and data servers will be avoided. We will provide training on user security procedures.

- All data and information from our security system and from our inventory control system will be secured and encrypted and backed up automatically every night, not only to a private server on site, but also to a secure, off-site server location. Should there be an emergency, natural disaster, or criminal breach at our facility, all data remain safe and remotely accessible on our remote backup server.
- For data backup we will be uploading all data to our cloud server on a daily basis to ensure that we do not ever lose sensitive information pertaining to the operation of the dispensary and cultivation facility.

Patient Health Information

Just as sensitive and important as our security system data and our inventory tracking data are our patient records. We take patients' privacy very seriously. Consequently, all the safeguards in place to protect and preserve our security data and inventory control data will also be employed to preserve patient information and prevent any breach of patient confidentiality, ensuring that the electronic storage, transmission, and retrieval of patient health information is secure.

Patient records will be stored on a MJ Freeway database and encrypted at the OS level. All digital records will follow HIPPA and PCI regulations and guidelines.

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GENERAL DEVELOPMENT PLAN

6L. MEDICAL RECOMMENDATION VERIFICATION AND YOUTH ACCESS RESTRICTIONS

The patient experience is a very important component to the operational procedures of Big Sur Cannabotanicals. All operations revolve around the goal of giving patients a friendly, safe and positive way to get their medicine and ensure minors do not enter the building.

A patient enters the facility from the door that faces the parking lot and the first team member he/she encounters is the security personnel. All persons entering the building will be under video surveillance, which is monitored remotely inside and can also be monitored outside the facility. The security specialist will greet the patient and ask if they are a new or returning patient. On site, front door security personnel will ensure absolutely no minors enter the facility by checking valid California photo ID.

If the patient is a new patient, they are asked to show verification that they are eligible to legally receive medical cannabis under the guidelines established by the State of California. After verifying the patient possesses a valid, current doctor's recommendation for cannabis, and a valid California I.D. matching the name on the recommendation, the patient is directed toward the reception desk for registration. Once the patient reaches the reception desk they are given a registration packet which outlines the rules of the dispensary, the guidelines governing legal purchase of medicinal cannabis and a copy of the patient code of conduct (Please see code of conduct included hereto.)

While the new patient is filling out the registration form, the front desk personnel uses the appropriate online or telephone method of verifying the validity of the patient's recommendation. A copy is made of their recommendation and California ID and kept on file electronically. (Please see the enclosed electronic record of patient verification.) Once the patient has completed the registration form, has been verified, and has their information entered into the MJ Freeway system, they are asked if they need special assistance for their first time. If the dispensary area is ready, the patient will be allowed to enter. If the dispensary area has reached the maximum capacity at the time, the new patient is asked to wait in the waiting area until their name is called. During the registration process, all prospective patients will be given a copy of the membership handbook. The membership handbook will also be made available electronically to any patient who requests a copy.

If the patient is a returning patient, the security specialist verifies that the patient has a valid California ID and a valid, current physician's recommendation for medical cannabis. Once the returning patient reaches the reception desk, they only need to give the front desk employee their valid California ID. Once the identifying ID number is entered into the MJ Freeway software, the employee will immediately have visual confirmation that the patient's recommendation is valid or expired, as well as if the patient has already entered the facility that day, if the patient has any special needs, or if the patient has other considerations tied to their membership.

Once the patient is confirmed as valid in the system, the front desk personnel will allow the patient into the dispensary if space is available or they will ask the patient to wait in the waiting area until their name is called and they can enter.

Once the patient has entered the dispensary area they will have the opportunity to view and purchase their medicine at one of three identical sales displays. Each patient will be tracked from the point of check in at the front desk until they complete a transaction, allowing management and staff to know who is in the building as well as how long they have been waiting. A staff member personally assists a patient, or in the event of a couple or small group visiting the facility together the staff member may help 2 or 3 at once. There will be anywhere from 3-5 employees staffed in the dispensary room.

Many patients come to a dispensary seeking advice about the available medicinal options, and each staff member is an expert on both the products available, the proper use of such products, and the overall efficacy of cannabis as a medicine. No patient is ever directed toward a product or pressured to purchase anything unless it directly relates to the condition they are trying to treat as well as coincides with any directive they have been given by their physician.

If the patient is new, they are given a general overview of the product selection including categories, pricing, return policy and our commitment to making sure they receive accurate and helpful information in choosing which medicine may be right for their needs. A returning patient is welcomed back, and the staff member can pull up their transaction history in the MJ Freeway patient tracking functionality to help determine what has or has not been effective.

Once the patient has received the advice they need and have made their selection, they are given a total price including appropriate taxes. All items purchased both medicinal and otherwise are placed into a paper bag, which is stapled shut to prevent anything from falling out as well as to discourage the possibility of theft after the transaction. This tactic is also to discourage patients from opening their purchase until they are home and in the confines of a private residence. Consumption of product is prohibited on site and in the parking area surrounding the facility. An itemized receipt is provided to the patient for their own records, as well as to prove that the cannabis they are now in possession of has been obtained legally. The receipt may be placed inside the bag, stapled to the bag, or given to the patient separately depending on the specific desire of the patient. Once the transaction is complete, the patient leaves via the same door for which they entered the dispensary area. They are then able to leave the waiting area through the main entrance of the facility. Only cannabis products that are labeled and in a tamper-evident package will be dispensed.

If requested, any patient will be provided either a staff or security escort to their vehicle to assist in the event of a disability or to ensure their safety.

BSCB will implement all additional procedures required by the Monterey County Sheriff's Office.

AS
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I understand that: As a member of this medical marijuana collective/dispensary, I understand and agree that each and every member of this collective will contribute labor, funds, supplies, services and or materials towards the cultivation and or procurement of marijuana solely for medicinal purposes;

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I understand that: The collective may also provide a means for facilitating and or coordinating transactions between members, while excluding all non-members from any exchanges, reimbursements, provisions, remunerations or any other transactions that involve medical marijuana;

AS
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I understand that: None of the members of this collective shall profit from the sale or distribution of medical marijuana and that all donations provided by patients will be used to operate this collective in accordance with all State of California laws;

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I understand that: Medical marijuana collectives should acquire medical marijuana only from their constituent members (i.e., patients) because only marijuana grown by a qualified patients (with a valid and current recommendation issued by a California Licensed MD or DO) or his or her primary caregiver may lawfully be transported by, or distributed to, other members of a collective or cooperative (11362.765, 11362.772);

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I understand that: The collective may allocate medical marijuana to other members of the group, and that nothing allows marijuana to be distributed or allocated outside the collective and its lawful members (i.e., patients);

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I understand that: Marijuana grown at a collective for medical purposes may be:

- a. Provided for FREE to qualified patients and primary caregivers who are members of the collective or cooperative;
- b. Provided in exchange for services rendered to the entity;
- c. Allocated based on fees that are reasonable, calculated to cover overhead costs and operating expenses or;
- d. Any combinations of the above;

AS
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I understand that: In accordance with the Medical Marijuana Program Act, the Compassionate Use Act, and the 2008 California Attorney General Guidelines for the Security and Non Diversion of Medical Marijuana Grown for Medical Use this collective is formed in accordance with California health and Safety Code 11362.775, as well as under any and all California Health and Safety Code 11362.775 provides as follows:

- a. I understand that: Qualified patients, persons with valid California Identification Card/CDL, and the designated primary caregivers of qualified patients and persons with California Identification Cards, who associate within the State of California in order to collectively or cooperatively cultivate marijuana for medical purposes,

shall not solely on the basis of the fact be subject to State Criminal Sanctions under Sections: 11357, 11358, 11359, 11360, 11366, 11366.5, 115570 (H&S 11362.775);

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I understand that: According to the State of California Guidelines codified within the Medical Marijuana Program and H & S Code 11362.77:

- a. A qualified patient or primary caregiver may possess no more than 8 ounces (i.e., Eight Ounces) of dried medical marijuana per qualified patient;
- b. Additionally, a qualified patient or primary caregiver may also maintain no more than 6 mature plants (i.e., Six Mature Plans) or 12 immature plants (i.e., Twelve Immature Plans) of medical marijuana per qualified patient;
- c. If a qualified patient or primary caregiver has a physician's recommendation that specifically indicates medical marijuana quantities that are greater than those described above, then the qualified patient and or primary caregiver may possess the amount of medical marijuana which is consistent with the quantities indicated by the California Licensed Physician;
- d. Only the dried mature possessed flowers of female cannabis plant(s) or the plant conversion shall be considered when determining the allowable quantities of medical marijuana under this section;

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I understand that: Big Sur Cannabotanicals collectively cultivates medical marijuana for all members/patients. Big Sur Cannabotanicals, agrees to possess and or cultivate enough medical marijuana to meet the aggregate of the needs of all qualified medical marijuana patients/members;

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I understand that: I agree NOT to divert, furnish, sell, distribute and or give any medical marijuana to any persons who are NOT qualified patients and members of this collective (i.e., Big Sur Cannabotanicals);

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I understand that: When requested of me by the collective, I agree to provide any services, labor and or resources needed to maintain this collective, of which I am legally and physically able to provide;

AS
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I understand that: As a qualified medical marijuana patient whose rights are protected by California Law, Health and Safety Code 11362.5 and 11362.7, et seq., in conjunction with California Senate Bill 420 and Proposition 215, you are required to read and agree to the following statements to become a member of Big Sur Cannabotanicals Please understand that this is for your own protection as well as ours.

AS
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I understand that I hereby declare that I am a qualified medical marijuana patients under California Health and Safety Code 11362.5 and 11362.7 et seq., and that my doctor has evaluated my medical problems and subsequently recommended and approved my use of medical marijuana for relief from my medical problems;

AS

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I understand that as per California Safety Code 11362.51, as a legal medical marijuana patient I can legally use and possess and cultivate cannabis for medical purposes in accordance with the terms stated above in this agreement;

AS
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I understand that I am allowed to do go through safe and affordable access such as the type provided by Big Sur Cannabotanicals, therefore, I designate Big Sur Cannabotanicals as my primary care provider for this purpose. In doing so, I agree to sign and follow any and all Big Sur Cannabotanicals, rules and regulations regarding the services provided by this collective;

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I understand that I hereby declare under penalty of perjury laws of the State of California that I am at least 18 years old and am a legal medical marijuana patient who was evaluated by a California licensed medical doctor who recommended and approved my use of medical marijuana in accordance with California State Laws and that I have been diagnosed for a serious illness(s) for which cannabis provides substantial relief;

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I understand that a LEGAL medical marijuana patient means that I have a current medical marijuana recommendation issued by a California licensed physician and that the medical license of my physician is also renewed and current;

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I understand that If my recommendation is revoked or expired and or my doctors State of California medical license is suspended, revoked or expired, that I am no longer a legal medical marijuana patient and will have to provide a replacement medical marijuana recommendation issued by a California license physician whose license is also RENEWED and CURRENT;

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I understand that I hereby verify that I am a California resident and my personal medical marijuana will not be taken out of the State of California and I further verify and agree that the medical marijuana that I obtain will NOT be shared, sold, bartered, traded, exchanged and or delivered/used for any other purposes other than personal use;

AS
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I understand that I hereby declare that I understand that my contributions to Big Sur Cannabotanicals for and through prescribed medicinal products I may require from Big Sur Cannabotanicals are used to ensure the continued operation of Big Sur Cannabotanicals, and that any set transaction in no way constituted any commercial promotion or sale of any item;

AS
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I understand that as a member of Big Sur Cannabotanicals, I hereby agree, appoint and designate Big Sur Cannabotanicals, and their representatives as my true and correct lawful agents for the limited purpose of assisting me in obtaining

medical marijuana legal recommended by my California Licensed physician whose name and info appears on my current and valid recommendation;

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I understand that I hereby authorize Big Sur Cannabotanicals to use the medical and physician information that I have provided to verify the validity and status of my medical recommendation from time to time. I understand that I may revoke this authorization in writing any time, which will cause my membership status to be suspended until further notice. I understand that all of the information that I am providing herein is protected by HIPAA Rules and Regulations as well as Patient Privacy Laws;

AS
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I understand that this means that Big Sur Cannabotanicals, will be required to purchase, possess, transport and distribute my medication to me as recommended by my California licensed physician and I grant Big Sur Cannabotanicals, the limited authority to do so;

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I understand that I further authorize Big Sur Cannabotanicals to share their caregiver status of my person in order to enter into contracts to obtain and or allow growth and preparation of my medication and edibles containing medical marijuana;

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I understand that as a member, Big Sur Cannabotanicals has other members with similar membership agreements. I hereby authorize Big Sur Cannabotanicals to jointly possess the medical marijuana described under this agreement jointly with other members under similar membership agreements. I agree that the medical marijuana possessed by the collective is property of every patient who is also under this membership agreement and under the care of Big Sur Cannabotanicals;

AS
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I understand that I agree to always maintain a VALID/CURRENT PHYSICIANS RECOMMENDATION and to provide Big Sur Cannabotanicals, with the most current recommendation that I have been issued by my physician;

AS
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I understand that I agree to provide Big Sur Cannabotanicals, with accurate and current personal contact info and further agree to immediately provide and update and changes made to my medical condition(s), address, contact phone number, name, recommendation status, physician contact info and license status, etc., upon any changes that occur from those representations of contact information made in this agreement;

AS
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I understand that I understand that this agreement is valid only during the time that I maintain an ACTIVE and CURRENT medical marijuana recommendation and agree to provide the most current recommendation to reflect the fact that I am a legal medical marijuana patient.

AS
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I understand that any member of law enforcement who is a bona fide patient must disclose the fact that he/she is a member of law enforcement. Otherwise, by signing these terms and conditions, I promise, state, and affirm, under penalty of perjury under the laws of the State of California, that I am not a member of, affiliated with, nor employed by any law enforcement department, entity, or agency.

AS
143e003cff

8. I, along with my heirs and those with me, expressly and forever release Big Sur Cannabotanicals, its owners, landlord, operators, managers, employees, agents, attorneys, growers, providers, wholesalers, officers, directors, members and any others associated with them, from and against any and all lawsuits, alter-ego lawsuits, demands, charges or claims with reference to the strength, potency, purity, toxicity, appropriateness for my condition of any marijuana related products I may obtain from Big Sur Cannabotanicals.

AS
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9. I understand that any marijuana products I obtain from Big Sur Cannabotanicals must be kept in a safe place out of the reach of children, and that the storage, use and handling of the marijuana are solely my responsibility.

I, ARAM STONEY

HEREBY CONFIRM & DECLARE UNDER PENALTY OF PERJURY THAT I HAVE CAREFULLY READ, UNDERSTAND & AGREE TO THE TERMS OF THIS MEMBERSHIP AGREEMENT AS STATED ABOVE AND CONFIRMED BY MY INITIALS.

Patient Name: ARAM
STONEY

Dated: 03/09/2017

Patient Signature:



Signed by ARAM STONEY

Thu Mar 9 1:21:51 pm PST 2017

Key: 143e003cff; Ip Address: 172.30.1.80

Patient Info: MD/Rec Info: Initials/Page: Name/Sig: Rec Verified:

Copy of ID: Copy of Rec: Agreement Done: Docs Uploaded: Dr. Verified:

Big Sur CannaBotanicals Patient Code of Conduct

A medical cannabis collective is by definition a cooperative venture. We work together in order to provide goods and services to all our members and in doing so we need to establish a basic standard of conduct that everyone is expected to follow. We understand that our patients are often facing difficult circumstances, including physical, mental, and emotional challenges, but in order to provide good service to everyone, we must insist that our patients observe the following rules of conduct:

1. All rules set forth herein are in addition to those described in the Bylaws of Big Sur CannaBotanicals (hereinafter referred to as "BSCB"). In the event of any conflict between the provisions of these rules and the Bylaws, the provisions of the Bylaws shall control.
2. All members must be 18 years or older and shall be current residents of the state of California.
3. All members must possess a valid and current recommendation by a duly licensed physician for the medicinal use of marijuana in accordance with the laws of the State of California, or be the primary caregiver of a person with such a recommendation.
4. Members shall not transfer medicine to a non-patient or minor nor give any indication to BSCB staff that you intend to do so.
5. No membership right arising from membership shall be transferred. All membership rights cease on the member's death or dissolution.
6. Members shall only use medicine for medicinal purposes, as directed by the physician recommending such use.
7. You will store your medicine responsibly and make sure that no children, pets, or non-patients have access to it.
8. You will keep your recommendation and ID up-to-date and inform us of any changes affecting your status as a patient.
9. Members must reapply annually with a current and valid physician issued recommendation.
10. You will not drive or operate machinery while under the effects of the medicinal cannabis.
11. You will not loiter around the premises of BSCB nor will you use product in the parking lot of BSCB.
12. We reserve the right to refuse service to anyone at any time if we feel that the safety or legality of our operation may be at risk.

Patient Signature

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GENERAL DEVELOPMENT PLAN
6M. PRODUCT SUPPLY CHAIN INFORMATION

Product Safety

All medicinal cannabis products made available at the dispensary will be held to the highest industry standards and will be inspected both internally as well as independently. All employees will be experts on the use and efficacy of every available product and will be prepared to explain the details of every available product. In addition, all employees will share the responsibility of ensuring no product is dispensed to a patient with any question as to its safety or quality. The following specific considerations will be given to each product category:

Flowers

All flowers accepted at the dispensary will only be available after strict quality control procedures have been satisfied. This will include the following protocol:

- Flowers are procured accompanied by certified current independent lab results from the provider showing potency of active cannabinoids, presence of pesticides, and presence of bacteria/molds and mildew. All flowers undergo a secondary complete physical inspection before being made available to patients.
- If the provider does not possess certified current independent lab results for an available batch of flowers, the dispensary will send a sample of the batch to an independent lab to be tested for potency, presence of pesticides, and presence of bacteria, molds and mildew. Flowers are made available to patients after the results have been obtained and a complete physical inspection is performed by staff.
- After procurement, flowers will be stored in a controlled environment and all necessary steps taken to prevent the development of mold and mildew, as well as keep the moisture content and subsequent weight constant.

Concentrates

Concentrates will be procured following the same protocols as outlined for flowers. In addition to the outlined test parameters, concentrates will also be tested for the presence of residual solvents by an independent licensed testing source. Concentrates will be stored in a protected and moisture controlled environment. Most of the concentrates in inventory will come prepackaged by the provider.

Edibles

All edibles are procured from permitted legal providers who practice food safety protocols in all aspects of the production process. This includes handling of the raw materials, testing of the cannabis source material before production, storage, packaging, and accurate testing for dosing of the finished edible product after production. Before being available to patients, all staff members will be given specific details regarding the proper dosing of any given edible product so as to be able to give the most accurate advice regarding use. In the event any edible product is damaged or shows any abnormality in packaging, it will immediately be removed from inventory and either returned to the provider or discarded using designated waste management protocol. All packaging for any edible product will

clearly show the tested amount of cannabis, suggested dosage, and clearly define the presence of any ingredient to which a patient may have an allergy. All edibles purchased by a patient will be accompanied with a warning about use and the possibility of exceeding recommended dosage and what to do in the event that exceeding dosage recommendations occurs.

Topical Applications

Topical Applications will be stored in a climate controlled environment to prevent the growth or proliferation of mold or bacteria. All topicals will be clearly marked (when appropriate) that they are not safe for ingestion.

All products, regardless of dosage or category, obtained at the dispensary will be accompanied with the following warnings:

- Keep out of the reach of children and pets
- Do not operate a vehicle or machinery after use
- Not for resale or redistribution
- Prop 215/H&S SB 420 Compliant

Recalled Product

In the event that Big Sur Cannabotanicals is made aware of a product defect they will immediately pull all stock items from the public and place them in a locked facility until they are destroyed and deposited in the waste disposal system. In addition, Big Sur Cannabotanicals will notify all patients whom bought the recalled product as tracked through the MJ Freeway Software Platform system.

BSCB will implement additional requirements requested by the Monterey County Sheriff's Office.

GENERAL DEVELOPMENT PLAN

6N. RECORD KEEPING POLICIES AND TRACK AND TRACE MEASURES

Tracking cannabis from seed-to-sale requires cannabis specific technology that can handle your business at any scale and maintain compliance with all cannabis regulations. We have a team of people who monitor upcoming marijuana regulations and ensure marijuana software meets or exceeds regulations.

For inventory management, among other things, Big Sur Cannabotanicals is currently utilizing MJ Freeway's Platform. MJ Freeway's Software Platform was built by cannabis people – managers, budtenders, retail operators – who know the realities of running and working in some of the largest cannabis operations in the world. The MJ Freeway Platform enables best in process workflow, data capture, and efficiency in cannabis technology and allows real-time integration to the best technology tools for accounting, customer loyalty, menu integration, payroll, and more.

MJ Freeway is a fully integrated Point of Sale (POS), Inventory Control, and Patient Management system and is one of the only complete seed-to-sale systems available on the market today. This software has been specifically designed to serve the cannabis industry.

The use of this system allows this dispensary to track the chain of custody and real-time whereabouts of medical cannabis from the point that it is received by a patient or vendor until it is sold, destroyed, or returned to the vendor.

MJ Freeway supports:

- Tracking of every product in every form
- Packaging
- Labeling
- Sales
- Adjustments
- Conducting audits
- Disposal of unusable cannabis
- Maintaining records indefinitely
- Managing Patient Purchases and Amounts
- Employee records, time clock, and transaction history

The procurement, display, pricing and management of all inventory carried by Big Sur Cannabotanicals falls under the supervision of the General Manager and the Inventory Manager. All inventory actions are tracked using the MJ Freeway inventory management system. This allows for proper reconciliation of all financials, proof of tax compliance, and prevention of diversion. Products made available to patients will generally fall into the following categories:

- Flowers: dried and cured cannabis suitable for smoking or vaporizing
- Concentrates: extracts of cannabis flowers used for smoking or vaporizing
- Edibles: Foods, candies, and tinctures infused with cannabis flowers or extracts designed for digestion or sublingual application

- Vapor Cartridges: Specially designed atomizers filled with concentrated cannabis specifically used for vaporization
- Topical Applications: lotions, balms, rubs and sprays designed to be used on the skin (not ingested or inhaled)
- Gear- non-medicinal items including but not limited to: clothing, gifts, promotional items, informational or recreational publications, tools (batteries, non-filled vaporizers, etc.), artwork and other appropriate items that do not contain any form of medicinal cannabis

All inventory is kept inside the locked safe, or in a secured cabinet or refrigerated unit inside the locked safe room. All inventory procured, retained, dispensed, or discarded will fall under the responsibility of the Inventory Manager and is recorded and tracked by the MJ Freeway Inventory management functionality. Inventory is physically counted daily before opening to the public, and any discrepancies recorded and investigated when appropriate. If it is determined that there is a significant discrepancy found in the inventory, Big Sur Cannabotanicals will notify the Monterey County Sheriff's Office within twenty-four (24) hours.

All items available for purchase have a separate SKU and are packaged per the specific requirements of their inventory category. The exception to this is flowers, which are weighed in front of the patient depending on the amount they wish to acquire. The flowers are then placed into a smell proof, water resistant and labeled plastic package or glass jar and kept on the counter until the transaction is completed. Big Sur Cannabotanicals will ensure that all cannabis and cannabis products at the dispensary are cultivated, manufactured, transported, distributed, and tested by licensed and permitted facilities that maintain operations in full conformance with state and local regulations.

Inventory will be sourced from permitted and legal providers as allowed by the existing State guidelines regarding medicinal cannabis products. The Inventory Manager and General Manager work together to determine the appropriate variety and quantity of products in each specific category, guided by patient demand and an effort to provide the highest quality medicinal products at the most affordable price possible. All aspects of inventory intake will be tracked by the MJ Freeway inventory control functionality including vendor/distributor contact information, quantity purchased, price paid, lab test results, and any other relevant information regarding the process of dispensing any given item. After any product is received into the facility, it is kept in locked storage until it is fully prepared for dispensing to patients.

The amount of inventory on the dispensary floor is kept to a minimum and will be tracked in the inventory control system as "Sales Inventory" as a subcategory of "General Inventory". Before being made available for purchase to patients all inventory items will be inspected for quality, tested for potency and safety when appropriate, and properly labeled. All inventory items that are made available for purchase on the showroom floor will be designated a unique SKU and tracked from intake to purchase by the MJ Freeway Inventory Management/POS functionality. The exception to the SKU designation will be in the category of flowers, which will be tracked separately by weight. All aspects of the flower inventory including bulk weight, dispensed weight, loss of weight during processing and waste will be tracked by the MJ Freeway Inventory software in conjunction with the integrated scales in the processing room as well as each POS terminal.

Currency Regulations

The daily intake and management of cash will be overseen by the manager on duty, with consideration and communication regarding cash control developed by and shared with the Inventory Manager and the Director of Security. At the current time, all members' transactions are performed at the sales terminals and most transactions with vendors will primarily use cash. All excess cash will be kept in a locked safe in a designated safe room, with only the manager on duty having access to the safe room and the safe combination. If at any time during the daily operations one or more of the sales terminals exceeds a predetermined threshold of currency, the drawer will be temporarily closed and the excess monies removed to the safe, leaving enough variance of bills and coins to make change for ensuing transactions. If at any time one or more of the sales drawers is deficient of the proper denominations to adequately provide change to a customer, the manager will be notified and the drawer taken to the safe room to facilitate a safe refilling of the drawer with the appropriate monies.

In the interest of safety, all terminals will be systematically closed out midday at an appropriate time determined by Big Sur Cannabotanicals Policy and Procedures. This will prevent the situation where all cash accumulated for an entire day is being counted after operating hours. Each drawer will be counted out separately by a manager or designated employee and any surplus or discrepancies recorded as compared to the expected drawer count displayed by the MJ Freeway POS functionality. In the event that any drawer shows either a surplus or deficiency exceeding a designated threshold, the manager will generate a report detailing the specifics, submit the report to security, and will take appropriate steps to determine the cause of the surplus or discrepancy. Once the count has been completed it will be paired with a Z/close out report and kept on file for a minimum of 6 months. All terminals will be under video surveillance to discourage theft as well as determine errors made during the daily process of patient transactions.

The Director of Security and the General Manager work together to ensure any monies leaving the facility are counted, logged and safely transported. The transport of cash off the premises will fall under the responsibility of the General Manager and the Director of Security, and appropriate steps will be taken to make sure that all money handling procedures are outlined in the security plan and followed without deviation. For specific sensitive information regarding the handling of large sums of cash, deposits, tax and payroll payments, or any other cash control issues, one can refer to the separate security plan. The Director of Security and the General Manager will determine the appropriate disclosure of this information as requested by law enforcement or local officials.

GENERAL DEVELOPMENT PLAN
60. SUSTAINABILITY MEASURES

Big Sur Cannabotanicals has taken all precautions to avoid any adverse environmental impacts. Of primary concern to Big Sur Cannabotanicals is to have an insignificant cumulative impact on greenhouse gas emissions. The following mitigation measures have been incorporated:

1. All builder-installed indoor appliances shall be low water-use.
2. Water conservation.
3. Air conditioning unit shall be Freon-free.
4. Cleaning outdoor surfaces will be water free.
5. Recycling consistent with the local waste collection company shall be employed.
6. Recycling education shall be provided to all employees.
7. Building energy use shall exceed the applicable Title 24 Energy efficiency standards.
8. Programmable thermostat timers shall be used.
9. Operational vehicles supporting the project shall be electric or other zero emission vehicles.
10. Delivery vehicles idling shall be limited to 3 minutes.
11. There are not pools, spas or lawns.

The project site is in a heavily commercial area with various types of businesses surrounding the premises. Applicants are not the owners of the premises nor the owners of the surrounding buildings and as such have not had an opportunity to address the following mitigation measures:

1. Restrooms.
2. Landscape.
3. Recycled water for landscape.
4. On-site energy using solar power.
5. Mandatory solar power units.
6. Roofing materials.
7. Vehicle recharging facilities.

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GENERAL DEVELOPMENT PLAN
6P. ODOR PREVENTION DEVICES

To address the concerns of odor management, Big Sur Cannabotanicals (BSCB) will do the following:

BSCB will install, at a minimum, one Honeywell F90A1050 Electronic Air Purifier (or equivalent). The F90A1050 is a surface mounted Honeywell industrial commercial electronic air cleaner. It cleans by removing particulates from the air passing through the electronic cells. This filter is certified to be 94% efficient at capturing 0.5 micron air borne particles that pass through the filter such as pollen, cat dander, dust, tobacco smoke, and mold spores.

In addition to the Electronic Air Purifier, BSCB will utilize the existing HVAC system already in place at the location. They will make sure that the system is up-to-date with the latest carbon filter technology. These steps should ensure that odors from cannabis are not detectable off site.

Any other odor mitigation measures required by the County will be implemented prior to occupancy.

7

7. SET OF REDUCED PLANS

Please see the attached reduced plans.

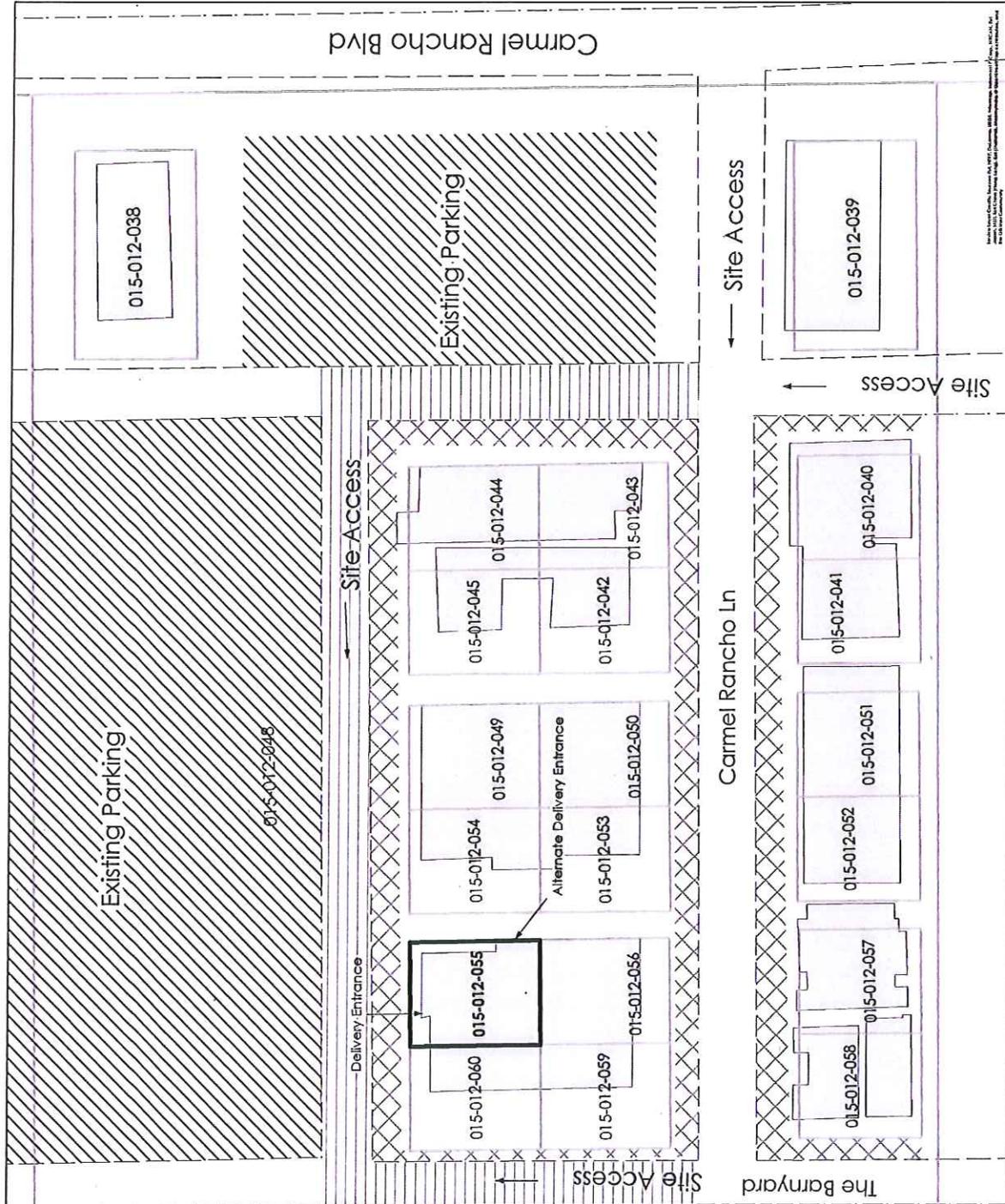
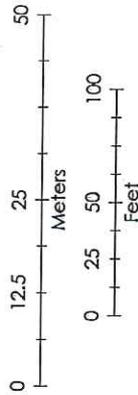


- Project Parcel
- Surrounding Parcels
- Buildings
- Existing Parking Lot
- Existing On-Street Parking
- Existing Access Easement

Project Data Summary

Parcel Size = 0.8 Acre
 GP Land Use Designation = Planned Commercial
 Zoning Designation = LC-D-S-RAZ
 Existing Parking = 156 Spaces
 Proposed Parking = 156 Spaces
 Parcel Dimensions = 55' X 70'
 Water Service Provider = Cal Am Water
 Sewer Service Provider = Carmel Area Wastewater District

This map (or data product) is for assessment and planning purposes only. It is not intended to be used for description, conveyance, authoritative definition of legal boundary, or property title. This is not a survey product. Users are encouraged to examine the documentation or metadata associated with the data on which this map is based for information related to its accuracy, currentness, and limitations.



Document Path: F:\C:\data\Project\2017-09-BIG Sur Products\Big Sur CBI 230316Plan.mxd

BIG SUR CANNABOTANICALS SITE PLAN

DATE: MARCH 4, 2017
 SCALE: 1 IN = 30 FEET
 PROJECT: 2017-09-BSC

REVISIONS	DATE	DESCRIPTION

Denlee Duffy and Associates, Inc.
 Environmental Consultants Resource Planners
 10000 N. Main Street, Suite 200
 Monterey, CA 93940
 (831) 375-4341

Monterey | Santa Barbara | San Jose

FIGURE 1

8

8. GRANT DEED

Please see the attached grant deed for APN 015-012-055.

RECORDING REQUESTED BY

Scott N. Carter, Esq.
Carter, Dougherty & Kelley
2397 Forest Avenue
San Jose, CA 95128

AND WHEN RECORDED MAIL TO

Richard Catlin, Jr.
7261 Almaden Lane
Carlsbad, CA 92009

MAIL TAX STATEMENTS TO

- Same as above -

Stephen L. Vagnini
Monterey County Recorder
Recorded at the request of
Filer

RANJELIQUE
2/16/2011
11:14:49

DOCUMENT: **2011009662**

Titles: 1/ Pages: 2



Fees.... 12.00
Taxes... 1,375.00
Other... 6.00
AMT PAID \$1,393.00

GRANT DEED

The undersigned Grantor(s) declare(s) under penalty of perjury that the following is true and correct:

Documentary transfer tax is \$1,375.00.

- computed on full value of property conveyed, or
- computed on full value less value of liens and encumbrances remaining at the time of sale.
- Unincorporated area : () City of _____, and

FOR NO CONSIDERATION

SUSAN STILWELL, a married woman, as her sole and separate property

hereby **GRANT(S)** to,

RICHARD M. CATLIN, JR. a married man, as his sole and separate property, as to her entire 25% interest

the following described real property in the County of Monterey, State of California:

Lots Numbered 9, 14, 15 and 16, as said Lots are shown on that certain map entitled, Map of "Tract No, 699 Carmel Rancho Shopping Center Phase III-B", filed in Volume 12 of Maps, "Cities and Towns", at page 14, Monterey County Records.

Common Address: 26350 & 26352/26364 Carmel Rancho Lane, Carmel, CA
APN: 015-012-049; 015-012-054; 015-012-055 and 015-012-056

Dated: 1/14, 2011

Susan Stilwell
SUSAN STILWELL

MAIL TAX STATEMENTS AS DIRECTED ABOVE

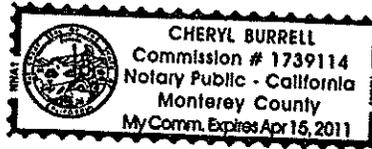
STATE OF CALIFORNIA)
) ss
COUNTY OF)

On 1/14, 2011, before me, CHERYL BURRELL a Notary Public ~~in and for said State~~, personally appeared SUSAN STILWELL who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or entity upon behalf of which the persons acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the forgoing paragraph is true and correct.

WITNESS my hand and official seal.

Cheryl Burrell
NOTARY PUBLIC



END OF DOCUMENT

RECORDING REQUESTED BY

Scott N. Carter, Esq.
Carter, Dougherty & Keiley
2397 Forest Avenue
San Jose, CA 95128

AND WHEN RECORDED MAIL TO

Richard Catlin, Jr.
7261 Almaden Lane
Carlsbad, CA 92009

MAIL TAX STATEMENTS TO

- Same as above -

Stephen L. Vagnini
Monterey County Recorder
Recorded at the request of
Filer

RANJELIQUE
2/07/2011
10:32:05

DOCUMENT: **2011007478**



Titles: 1/ Pages: 3

Fees....	18.00
Taxes...	
Other...	4.00
AMT PAID	\$22.00

GRANT DEED

The undersigned Grantor(s) declare(s) no documentary transfer tax is due; this is a transfer for no consideration as distribution from a trust to the beneficiary as an inheritance.

Signature of declarant: _____

Susan Stilwell
SUSAN STILWELL

FOR NO CONSIDERATION

SUSAN STILWELL and RICHARD M. CATLIN, JR., Co-Trustees of the CATLIN REVOCABLE FAMILY TRUST AGREEMENT dated October 27, 1987, as amended

hereby **GRANT(S)** to,
RICHARD M. CATLIN, JR. a married man as his sole and separate property, as to its entire 50% interest

the following described real property in the County of Monterey, State of California:

Lots Numbered 9, 14, 15 and 16, as said Lots are shown on that certain map entitled, Map of "Tract No, 699 Carmel Rancho Shopping Center Phase III-B", filed in Volume 12 of Maps, "Cities and Towns", at page 14, Monterey County Records.

Common Address: 26350 & 26352/26364 Carmel Rancho Lane, Carmel, CA
APN: 015-012-049; 015-012-054; 015-012-055 and 015-012-056

Dated: 12/24, 2010

Susan Stilwell, Co-Trustee
SUSAN STILWELL, Co-Trustee

Richard M. Catlin, Jr., Co-Trustee
RICHARD M. CATLIN, JR., Co-Trustee

MAIL TAX STATEMENTS AS DIRECTED ABOVE

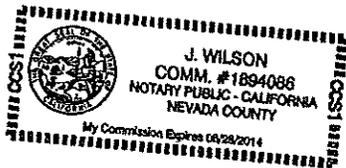
STATE OF CALIFORNIA)
COUNTY OF Nevada) ss

On December 24, 2010, before me, J. Wilson a Notary Public in and for said State, personally appeared SUSAN STILWELL who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or entity upon behalf of which the persons acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the forgoing paragraph is true and correct.

WITNESS my hand and official seal.

J. Wilson
NOTARY PUBLIC



NOTARY PUBLIC
STATE OF CALIFORNIA)
COUNTY OF) ss

On _____, 2010, before me, J. Wilson a Notary Public in and for said State, personally appeared RICHARD M. CATLIN, JR. who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or entity upon behalf of which the persons acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the forgoing paragraph is true and correct.

WITNESS my hand and official seal.

NOTARY PUBLIC

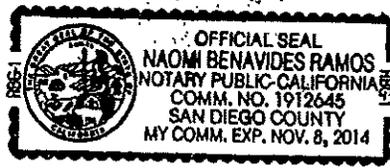
NOTARY PUBLIC
STATE OF CALIFORNIA)
COUNTY OF San Diego } SS

On 12/30, 2010, before me, Naomi Benavides Ramos
Notary Public in and for said State, personally appeared
RICHARD M. CATLIN, JR. who proved to me on the basis of
satisfactory evidence to be the person whose name is
subscribed to the within instrument and acknowledged that he
executed the same in his authorized capacity, and that by his
signature on the instrument the person, or entity upon behalf of
which the persons acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the
State of California that the forgoing paragraph is true and
correct.

WITNESS my hand and official seal.

Naomi Benavides Ramos
NOTARY PUBLIC



END OF DOCUMENT

RECORDING REQUESTED BY

Scott N. Carter, Esq.
Carter, Dougherty & Keiley
2397 Forest Avenue
San Jose, CA 95128

AND WHEN RECORDED MAIL TO

Richard Catlin, Jr.
7261 Almaden Lane
Carlsbad, CA 92009

MAIL TAX STATEMENTS TO

- Same as above -

Stephen L. Vagnini
Monterey County Recorder
Recorded at the request of
Filer

RANJELIQUE
2/07/2011
10:32:05

DOCUMENT: **2011007473**



Titles: 1/ Pages: 3	
Fees....	18.00
Taxes...	
Other...	6.00
AMT PAID	\$24.00

GRANT DEED

The undersigned Grantor(s) declare(s) no documentary transfer tax is due; this is a transfer for no consideration in which the Grantor(s) and the Grantee(s) are comprised of the same parties with the same proportionate interest. R&T: 11925(d)

Signature of declarant: Susan Stilwell
SUSAN STILWELL

FOR NO CONSIDERATION

CATLIN FAMILY I LIMITED PARTNERSHIP a California limited partnership

hereby **GRANT(S)** to,

SUSAN STILWELL and RICHARD M. CATLIN, JR., Co-Trustees of the CATLIN REVOCABLE FAMILY TRUST AGREEMENT dated October 27, 1987, as amended, as to an undivided 50% interest, SUSAN STILWELL, a married woman as her sole and separate property as to an undivided 25% interest, and RICHARD M. CATLIN, JR., a married man as his sole and separate property as to an undivided 25% interest

In and to the following described real property in the County of Monterey, State of California:

Lots Numbered 9, 14, 15 and 16, as said Lots are shown on that certain map entitled, Map of "Tract No, 699 Carmel Rancho Shopping Center Phase III-B", filed in Volume 12 of Maps, "Cities and Towns", at page 14, Monterey County Records.

Common Address: 26350 & 26352/26364 Carmel Rancho Lane, Carmel, CA
APN: 015-012-049; 015-012-054; 015-012-055 and 015-012-056

MAIL TAX STATEMENTS AS DIRECTED ABOVE

Catlin Family I Limited Partnership,
A California limited partnership

Dated: 12/24, 2010

By: Susan Stilwell, Co-Trustee
SUSAN STILWELL, Co-Trustee,
General Partner

Dated: 12/30, 2010

By: Richard M. Catlin, Jr., Co-Trustee
RICHARD M. CATLIN, JR., Co-Trustee,
General Partner

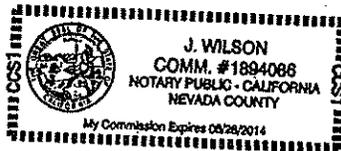
STATE OF CALIFORNIA)
) ss
COUNTY OF Nevada)

On December 24, 2010, before me, J. Wilson a Notary Public in and for said State, personally appeared SUSAN STILWELL who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or entity upon behalf of which the persons acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

J. Wilson
NOTARY PUBLIC



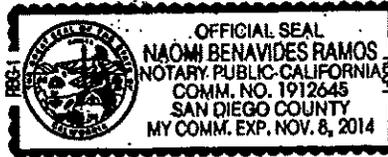
NOTARY PUBLIC
STATE OF CALIFORNIA)
)
COUNTY OF San Diego) ss

On 12/30, 2010, before me, Naomi Benavides RAMOS a Notary Public in and for said State, personally appeared RICHARD M. CATLIN, JR. who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or entity upon behalf of which the persons acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the forgoing paragraph is true and correct.

WITNESS my hand and official seal.

Naomi Benavides Ramos
NOTARY PUBLIC



END OF DOCUMENT

9

9. HOA BYLAWS

Attached please find the ByLaws for Carmel Rancho Three Merchants Association.

2-1-74

BYLAWS OF
CARMEL RANCHO THREE MERCHANTS' ASSOCIATION

ARTICLE I

Definitions

Certain terms as used in these Bylaws shall be used with the following respective meanings unless the context clearly indicates a different meaning therefor:

1. Declaration of Restrictions. "Declaration of Restrictions" shall mean that specific Declaration of Protective Restrictions executed by HOWARD S. BUCQUET and BARBARA B. BUCQUET on July 6, 1972, and recorded in the Office of the County Recorder, Monterey County, California, in Real 793, Page 534, Official Records of Monterey County. Said Declaration of Protective Restrictions is by reference incorporated herein as if fully stated. These Bylaws are expressly made subject to this Declaration of Protective Restrictions, and anything in these Bylaws which is inconsistent with said Declaration shall be void and ineffective.

2. Restrictions. "Restrictions" shall include all restrictions, conditions, reservations, covenants, servitudes, liens, and charges contained in the Declaration referred to in definition 1. Said restrictions may be referred to in various documents as "Phase Three, Carmel Rancho Shopping Center Declaration of Protective Restrictions," "Declaration of Protective Restrictions," "Declaration of Restrictions," and "Restrictions."

3. Lot. "Lot" shall be defined as set forth in the said Declaration of Protective Restrictions.

4. Owner. "Owner" shall be defined as set forth in the said Declaration of Protective Restrictions.

5. Declarant. "Declarant" as used herein shall mean HOWARD S. BUCQUET and BARBARA B. BUCQUET, as Trustees, herein referred to in the singular as "Declarant".
6. Recorded, Recording, and of Record. "Recorded," "recording," and "of record" shall mean recorded, recording, or of record in the office of the County Recorder of Monterey County, California.
7. Architectural Committee. "Architectural Committee" shall mean the committee designated as the Architectural Committee in a Declaration of Protective Restrictions.
8. Charges and Assessments. "Charges and Assessments" shall mean and include all charges and/or assessments to which the property under the jurisdiction of this Association is or may be subject under and pursuant to a Declaration of Protective Restrictions.
9. Member or Membership. A "member" or "membership" shall mean, respectively, a member of or membership in this Association, as defined in ARTICLE II of these Bylaws.
10. Person. "Person" shall include an individual person, a partnership, an association, and a corporation unless the context indicates a contrary meaning.
11. Constitution. "Constitution" shall mean the Constitution of this Association as the same may be amended from time to time.
12. Bylaws. "Bylaws" shall mean these Bylaws as the same may be amended from time to time.
13. Singular and Plural, Masculine, Feminine, and Neuter. In these Bylaws, the singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine, and neuter shall each include the masculine, feminine, and neuter when the context so requires.
14. Association, or the Association, shall refer to CARMEL RANCHO THREE MERCHANTS' ASSOCIATION, which is also referred to in various places of these Bylaws as "this Association".

ARTICLE II

Membership

Section 1. Definition of Membership.

Each record owner of a lot shall be a member, except as qualified below:

(a) If any owner leases a lot, or if such leased lot shall be subleased, or if any person occupies a lot, other than on a temporary basis, for the purpose of doing business thereon in any building or structure erected on such lot, the Lessee or tenant shall be considered the member for purposes of exercising any voting rights of such member so long as such Lessee or tenant remains in possession, it being the intent of the Bylaws that the person conducting business in the development shall be entitled to exercise the voting rights herein provided for unless such voting is subject to a proxy, voting trust, or power of attorney for such purpose.

(b) There shall be only one member per lot. With regard to any lot owned of record by a husband and wife in joint tenancy or as tenants in common, the husband shall be deemed the member, and shall remain such until both such husband and wife shall advise this Association in writing that the wife shall be the member, whereupon said membership shall be issued or transferred to the wife. With regard to any lot owned of record by more than one person (other than a husband and a wife) as joint tenants, tenants in common, or a partnership, the member shall be such one of such joint tenants, tenants in common, or a partnership as all of such joint tenants, tenants in common, or a partnership shall advise this Association in writing, and until this Association receives such advise, the member shall be one of such joint tenants, tenants in common, or a partnership which shall be designated by the Board of Directors of this Association. A corporation may designate in writing an agent

for purposes of exercising the privileges of membership herein provided, and in the absence of such designation, the president of such corporation shall exercise such privileges.

(c) The record owner of a vacant lot or a lot with unoccupied improvements shall be a member.

(d) Declarant shall be a member to the extent he owns any vacant lot or a lot with unoccupied improvements.

Section 2. Termination of Membership.

The membership of any person who owns a lot or a lot with unoccupied improvements terminates upon the sale of the lot or lot with unoccupied improvements.

The membership of any person who occupies but does not own a lot or lot with improvements terminates when he ceases to occupy permanently.

Section 3. Death of a Member.

Membership in this Association shall not terminate upon the death of a member but all of the rights of such member shall be exercised by the executor, administrator or other personal representative of such deceased member, provided, however, that if the lot or lots owned of record by such deceased member which entitled such member to membership was owned jointly or in common with another or others who survive such member, then upon the death of such deceased member the membership of such member shall terminate, and such other or one of such other joint or common owners of record shall become the member.

Section 4. Fees and Assessments.

The lots (embraced within the property which is subject to the jurisdiction of this Association) owned of record by the members of this Association shall be subject to such uniform charges and assessments and for interest and/or penalties for the late payment

or non-payment thereof as shall from time to time be determined by the Board of Directors by resolution duly adopted at any regular or special meeting, subject to any limitations contained in the Declaration of Protective Restrictions affecting property over which this Association has jurisdiction.

Section 5. Liability for Payment of Fees and Assessments.

Each member shall be primarily liable for general and special fees and assessments levied against his lot.

In the case of a non-owner member, if the member does not pay the fees and assessments within thirty (30) days after due, the owner is liable for said fees and assessments.

Section 6. Liens and Foreclosure for Non-Payment.

Upon the failure of any member to pay any and all charges and assessments and any interest, and/or penalties thereon when due, the same shall be enforceable against such member and shall become a lien against the particular lot or lots or lot or lots with unoccupied improvements subject to the same in the same manner as is provided for the foreclosure of a mortgage upon real property by the laws of the State of California as at the date of commencement of such foreclosure action. Said charges and assessments on becoming a lien in accordance with the Declaration of Protective Restrictions may also be enforceable by a power of sale by the Board of Directors, at the option of the Board of Directors, such sale to be conducted in accordance with provisions of Section 2924, 2924b and 2924c of the Civil Code of the State of California, or in such other manner as permitted by law.

Section 7. Registration of Members.

The Secretary of the Association shall maintain membership records.

A record owner of a lot shall be deemed a member for purposes of these Bylaws unless he shall have notified the Secretary of the

Association in writing that another person is lessee or permanent tenant of the lot owned by that owner.

ARTICLE III

Voting Rights and Members Meetings

Section 1. Voting Rights.

The voting rights of this Association shall be vested in the members thereof, and each member shall be entitled to as many votes as the number of lots (embraced within the property which is subject to the jurisdiction of this Association) owned of record by such member, provided that there shall be only one vote allowed for each lot owned by a member jointly or in common with others.

Section 2. Annual Meetings.

The first organizational meeting of owners shall be held on or before thirty days after fifty-one per cent of the lots have been conveyed or six months after the first unit is conveyed, whichever event shall first occur. Annual meetings of the members shall thereafter be held on the First day of February, at ten o'clock A.M. each year commencing with 1972 for the purpose of electing directors and for the transaction of such other business as may properly be brought before the meeting. If said day shall fall upon a legal holiday the meeting shall be held on the next business day thereafter at the same time and place.

Section 3. Notice of Annual Meetings.

It shall be the duty of the secretary to cause written notice of each annual meeting, stating the place, day and hour thereof, to be mailed, or otherwise sent or delivered, not less than ten days nor more than sixty days next preceding the day of such meeting, to each member of record entitled to vote. Any business may be transacted at such meeting, whether or not it be mentioned in the notice.

Section 4. Special Meetings.

Special meetings of the members for any purpose or purposes whatsoever may be held at any time whenever called by the president, or by the Board of Directors, or by members with at least twenty percent (20%) of the voting power of this Association. Every such call shall be in writing and shall state the purpose or purposes of the meeting.

Section 5. Notice of Special Meetings.

Written notice of each special meeting of members, stating the place, day and hour thereof, and the nature of the business to be transacted, shall be mailed, or otherwise sent or delivered, by the secretary or other person authorized or required to give such notice not less than ten days nor more than sixty days next preceding the date of meeting, to each member of record entitled to vote.

Section 6. Place of Member's Meetings.

Annual meetings and special meetings of the members shall be held at the principal office of the Association, provided that the Board of Directors may designate a place upon or in the immediate vicinity of the property subject to the jurisdiction of the Association or some convenient place within a distance of not more than twenty-five (25) miles from said principal office of the Association as a place at which any annual or special meeting of the members may be held. The Board of Directors may fix the time and place of any such special meeting by resolution, which time and place shall be stated in the notice. In the absence of any designation of another place by the Board of Directors, special meetings shall be held at the principal office.

Section 7. Quorum.

Members representing a majority of the voting power of this Association, present in person, shall be requisite to and shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by law. If, however,

members representing said majority of voting power shall not be present, those members present shall have the power to adjourn the meeting from time to time, until members representing the requisite voting power are present. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal from the meeting of voting power to leave less than a quorum.

Section 8. Address of Members.

It shall be the duty of each member to keep the Association advised as to his correct address from time to time.

ARTICLE IV

Board of Directors

Section 1. Powers.

The powers of the Association shall be exercised by or under the authority of, and all of the affairs of the Association shall be controlled by, the Board of Directors, subject, however, to the rights of members provided for herein in the Constitution, and by law, and subject also to all of the restrictions, provisions and limitations contained in the Declaration of Protective Restrictions.

Section 2. Number of Directors.

The Board of Directors shall consist of three (3) directors as set forth in the Constitution, until changed by amendment of the Constitution or until changed by an amendment of this section of these Bylaws adopted by the vote or written assent of members (and/or voting trustees or proxies as the case may be) entitled to exercise a majority of the voting power of this Association; provided, however, that the authorized number of directors shall in no event be less than three (3).

Section 3. Election and Term of Office.

The directors may be elected (and appointed as provided for in Article X hereof) at such annual meeting of the members, or the directors may be elected (and appointed as provided for in

Article X hereof) at a special meeting of members called for that purpose, and each director shall be elected (or appointed as the case may be) to serve until the next annual meeting and until his successor has been elected (or appointed) and qualified. Cumulative voting shall be allowed in all such elections.

Section 4. Place of Meetings.

Subject to the provisions of Section 10 of this Article IV, any and all meetings of the Board of Directors may be held at the principal office of the Association or at such convenient place as may be designated from time to time for any or all such meetings by a resolution of the Board of Directors at any regular or special meeting prior thereto. If the resolution of the Board designating the place for meetings so provides, any meeting may be held either at such place or at the principal office, as determined by the call and notice for the particular meeting. All meetings shall be held at the designated place, or in the absence of such designation, at the principal office.

Section 5. Vacancies.

Subject to the rights of a declarant of a Declaration of Restrictions as provided in Article X hereof, all vacancies in the Board of Directors, including vacancies caused by an increase in the number of the Board or by removal of a director, may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director. Each director so appointed shall hold office thenceforth for the remainder of the unexpired term and until the election of his successor.

Section 6. Organization Meeting.

Immediately after the annual meeting of the members and immediately after any meeting of members at which directors shall have been elected (and appointed as provided for in Article X hereof), the directors shall meet without notice for the election of officers

and the transaction of any other business. Pending such meeting all officers shall hold over, except any officer required by law or by these Bylaws to be a director and who was not re-elected to the Board of Directors.

Section 7. Regular Meetings - Time.

Regular meetings of the Board of Directors shall be held at such time as the Board may fix by resolution from time to time and if any day so fixed shall fall upon a legal holiday, then upon the next succeeding business day at the same hour. No notice of any regular meeting of the Board of Directors need be given.

Section 8. Special Meetings - Time.

Special meetings of the Board of Directors shall be held whenever called by the president, or vice president, or by a majority of the Board of Directors.

Section 9. Notice of Special Meetings.

Notice of the time and place of each special meeting of the Board of Directors may be given personally by word of mouth or mailed or telegraphed to each director at least two (2) days before the date of the meeting. No notice of the objects or purposes of any special meeting of the Board of Directors need be given, and unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

Section 10. Consent of Meetings.

The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if either before or after the meeting, each of the directors including those not present signs a written waiver of notice of a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be

filed with the Association records or made a part of the minutes of the meeting.

Section 11. Quorum.

Subject to the provisions of Section 5 of this Article IV and Section 4 of Article V of these Bylaws, at all meetings of the Board a majority of the number of directors fixed by the Constitution or Bylaws shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. A majority of the directors present at any meeting of the Board, whether a quorum shall be present or not, may adjourn the meeting from time to time, provided that no such adjourned meeting shall be held unless and until notice has been given as provided for special meetings in Section 9 hereof, and provided further that the time so fixed shall not extend beyond the time for the next regular meeting of the Board.

Section 12. Compensation of Directors.

Directors as such shall not receive any salary or compensation for their services as directors; provided, however, that nothing herein contained shall be construed to preclude any director from serving the Association in any other capacity and receiving compensation thereof.

Section 13. Qualifications.

Each director shall be a natural living person twenty-one (21) years of age or older; and a director may, but need not be, a member of the Association.

ARTICLE V

Officers

Section 1. Officers.

The officers of the Association shall be a president, a vice president, a secretary and a treasurer. The Association may also

have, at the discretion of the Board of Directors, one or more additional vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such officers as may be appointed in accordance with the provisions of Section 3 of this Article V. Officers other than the president need not be directors. One person may hold two or more offices except that of president and secretary. The salaries or other compensation of all officers of the Association, if any, shall be fixed from time to time by the Board of Directors.

Section 2. Election.

The officers of the Association, except as such officers may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article V shall be chosen annually by the Board of Directors, immediately after the regular annual meeting of the membership, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. Subordinate Officers, Etc.

The Board of Directors may elect or authorize the appointment of such other officers as the business of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the Bylaws or as the Board of Directors may from time to time authorize or determine. Members of any Architectural Committee shall not be deemed to be subordinate officers or other officers of this Association.

Section 4. Removal and Resignation.

Any officer may be removed, either with or without cause, by a majority of the directors at the time in office, at any regular or special meeting of the Board, or except in case of any officer chosen by the Board of Directors, by an officer upon whom such power of removal may be conferred by the Board of Directors.

Section 5. Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification or any other cause, shall be filled in the manner provided or authorized herein for regular elections or appointments to such office.

Section 6. President.

The president shall be the chief executive officer of the Association and shall, subject to control of the Board of Directors, have general supervision, direction and control of the affairs and other officers of the Association. He shall preside at all meetings of the members and at all meetings of the Board of Directors and shall have the general powers and duties of management usually vested in the office of president of an unincorporated association, and shall have such other powers and duties as may be prescribed by the Board of Directors and by the Bylaws, subject, however, to any limitations contained in any Declaration of Restrictions.

Section 7. Vice President.

In the absence or disability of the president, the vice presidents, if more than one, in order of their rank as fixed by the Board of Directors, or if not ranked, the vice president designated by the Board of Directors, shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions upon the president. The vice presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them, respectively, by the Board of Directors, or the Bylaws.

Section 8. Secretary.

The secretary shall keep or cause to be kept a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of directors and members, with the time and place of holding, whether regular or special, and if special,

how authorized, the notice thereof given, the names of those present at directors' meetings, the number of memberships and votes present or represented at members' meetings and all the proceedings thereof.

The secretary shall also keep or cause to be kept at the principal office a membership register showing the names of the members and the number of votes to which each respective member is entitled.

The secretary shall give or cause to be given notice of all meetings of the members and of the Board of Directors required by the Bylaws or by law to be given and shall keep the seal of the Association in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the Bylaws.

✓ Section 9. Treasurer.

The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The treasurer shall also maintain complete records of all assessments and charges levied and the liens securing same under and pursuant to the provisions of any Declaration of Restrictions, the amounts thereof, the properties against which the same have been assessed, the dates upon which the same are due, and upon which the same are delinquent, and a record of the payments thereof, as well as a record of notices of delinquency which have been recorded pursuant to any Declaration of Restrictions.

The treasurer shall deposit all moneys and other valuables in the name and to the credit of the Association with such depositaries as may be designated by the Board of Directors. He shall disburse the funds of the Association as may be ordered by the Board of Directors, shall render to the president and directors, whenever they request it, an account of all of his transactions as treasurer.

and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the Bylaws.

ARTICLE VI

Architectural Committee

Section 1. Architectural Committee.

The Architectural Committee shall be appointed as designated in Article IV of the Declaration of Protective Restrictions, which shall be controlling.

Section 2. Appointment by Board of Directors.

The Board of Directors of this Association upon and after receiving the authority to appoint or elect the members of any Architectural Committee as provided for under the Declaration of Protective Restrictions, shall have the authority to appoint and elect such Architectural Committee in the manner and for the term provided for officers in Section 2 of Article V hereof.

Section 3. Action by Architectural Committee Appointed by Board of Directors.

The Board of Directors may make such rules and regulations for action by any Architectural Committee appointed by it and for the meetings of any such Architectural Committee, not inconsistent with the provision of the Declaration of Protective Restrictions under which said Committee is acting, as the Board of Directors may deem proper or desirable.

ARTICLE VII

Powers and Duties

Section 1. Powers.

(a) The powers of this Association extend to all property covered by the Declaration of Protective Restrictions attached to these Bylaws and incorporated herein and are co-extensive with said Declaration. This Association shall have the power to enforce all restrictions.

limitations, conditions, covenants, servitudes, charges and liens created in said Declaration, according to the means of enforcement stated in said Declaration. This Association shall be entitled to exercise all powers granted to it in Article V, Section 1, and elsewhere in the Declaration. Said Declaration shall be controlling as to the extent of the powers of this Association.

(b) The Association upon affirmative vote of fifty-one (51%) percent of the members may incorporate as a non-profit California corporation by filing with the Secretary of State Articles of Incorporation consistent with the Declaration and the Constitution. Upon such incorporation any reference in the Declaration or in the Bylaws to "the Association", "this Association", or "Carmel Rancho Three Merchants' Association", shall be deemed to refer to the corporation so formed; any reference to "Bylaws" shall be deemed to refer to the duly adopted Bylaws of such corporation; any reference to "Constitution" shall be deemed to refer to the Articles of Incorporation of any such corporation; and the covenants, conditions, restrictions, provisions, limitations and procedures stated therein shall become binding upon the corporation so formed.

Section 2. Duties.

This Association shall have the duty and responsibility for enforcing all restrictions, conditions, covenants, servitudes, liens and charges contained in the Declaration of Protective Restrictions, and this Association shall have the duty of management and control of the common area co-extensive with the powers of management in Article V of the Declaration and Article VII, Section 1 of these Bylaws.

Section 3. Assessments and Collection of Charges.

(a) General Charges. The Board of Directors shall follow the procedures for assessment of general charges stated in Article V, Section 3 (a) of the Declaration of Protective Restrictions in

determining assessments to lot owners. The Board of Directors may delegate to the president, or any other officer, the preparation and submission of the annual estimate of cash requirements for the Association. After the Board of Directors shall have by resolution determined the amount of the assessment for general charges to be apportioned among lot owners, notice of said assessment shall be given to all members, and any member shall be given an opportunity to object to any assessment which shall not be levied uniformly among all members according to their class of lot, as defined in Article V, Section 3 (a) (4) of the Declaration of Protective Restrictions. The Board of Directors shall have the duty to enforce the payment of the charges thus assessed according to the procedures stated in Article V, Section 3 (c), (d), (e), (f), (g), (h), and (i) of the Declaration of Protective Restrictions.

(b) Special Charges.

(1) The Association shall be empowered to assess and collect special charges for services rendered on behalf of individual owners as prescribed in Article V, Section 3 (b) of the Declaration of Protective Restrictions.

(2) When and if the Association makes any payments on behalf of individual owners or members, as empowered by said Declaration, the Association shall recover the amount of such payment from the member or owner on whose behalf payment was made, in the same manner as the Association shall recover other special charges.

(c) Collection. The procedure for collection of special charges shall be the same as the collection for general charges stated above.

Section 4. Enforcement of Restrictions as to Use of Property.

The Association shall have the duty to enforce the restrictions on use of property contained in Article III, Section 1 and 2 of the Declaration of Protective Restrictions. The Association shall use the following procedure in enforcing such restrictions:

(a) Upon notice that any owner, member, lessee or other occupant is violating any of the restrictions contained in the Declaration of Protective Restrictions, the Board of Directors shall investigate the reported violation, and upon a determination that any owner is in violation of the Declaration, then the Board of Directors shall send such owner, member, lessee or other occupant a notice demanding that said owner, member, lessee or other occupant immediately cease and desist from the restricted use.

(b) If the owner, member, lessee or other occupant fails or refuses to cease and desist from the restricted use, the Board of Directors shall require said owner, member, lessee or other occupant to appear before the Board of Directors and show cause why the Association should not invoke on behalf of the Association any and all legal and equitable remedies available in the Declaration of Protective Restrictions to enforce the restrictions on use.

(c) Prior to any action being taken against an owner by the Board, the owner shall be entitled to a hearing before the full Board, and a two-thirds (2/3) vote of the entire Board shall be required before any sanctions may be imposed upon an owner by the Board.

(d) Upon a two-thirds (2/3) vote in favor of finding an owner in violation of the Declaration of Protective Restrictions and/or Bylaws of the Association, the Board shall decide whether to seek enforcement by judicial action as provided in Articles VI and VII of the Declaration. The Association may also, upon a two-thirds (2/3) vote of the membership, as set forth herein, proceed to legal action provided in Articles VI and VII of the Declaration, or declare the violation of the Declaration of Protective Restrictions a nuisance and proceed against the owner as set forth in Article V, Section 1 (1) of the Declaration of Protective Restrictions. Any such legal action commenced by the Association may include action for damages caused by the violation, including reasonable attorney fees and costs.

Section 5. Business and Management.

Article V, Section 1 of the Declaration provides that certain management functions of the common area and the subject property shall be exercised by the Association. The Board of Directors shall be responsible for insuring that the officers of the Association carry out the duties of such management; the Board of Directors shall delegate the responsibility for performing management functions; the Board of Directors shall determine the salaries, if any, which the officers of this Association shall receive, provided, however, that the payment of a salary to any Board member must be approved by a majority of the members entitled to vote; the Board of Directors is empowered to employ persons who are not members of the Association to manage the business affairs of the Association or to care for and maintain the common area.

Section 6. Annual Report to Members.

The Board of Directors shall present at each annual meeting of the members a statement of the business affairs and financial condition of the Association as at the end of the previous fiscal year.

ARTICLE VIII

Miscellaneous Provisions

Section 1. Checks, Drafts, Etc.

All checks, drafts or other orders for payment money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, and any and all securities owned or held by the Association requiring signature for transfer, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

Section 2. Contracts, Etc., How Executed.

The Board of Directors, except as in the Bylaws otherwise provided, may authorize any officer or officers, agent or agents,

to enter into any contract or execute any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances; and unless authorized by the Board of Directors, no officer, and no agent or employee shall have any power or authority to bind the Association to any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 3. Inspection of Association Records.

The membership register, the books of account and the minutes of proceedings of the members and directors and other Association records shall be open to inspection by any director upon demand at any reasonable time and to inspection by any member upon the written demand of any such member at any reasonable time for a purpose reasonably related to his interest as a member, and shall be exhibited at any time when required by the demand of ten (10%) percent of the voting power of the members represented at any members' meeting. Such inspection may be made in person or by an agent or attorney and shall include the right to make extracts. Demand of inspection by any member other than at a members' meeting shall be made in writing upon the president, secretary or assistant secretary of the Association. Every such demand, unless granted, shall be referred by such officer to the Board of Directors.

The Association shall keep in its principal office for the transaction of business the original or true copy of the Constitution of the Association, as amended, the original or a true copy of these Bylaws, as amended, and the original or a true copy of such Declaration of Protective Restrictions covering property subject to the jurisdiction of this Association, as amended, each of which documents shall be open to inspection by the members during reasonable business hours.

Section 4. Notices.

Whenever, under the provisions of these Bylaws, notice is required to be given to any director or member, it shall not be construed to mean personal notice, but such notice, if not given by any other method authorized by these Bylaws or by law, may be given in writing by mail, by depositing the same in the United States Post Office or post box at the place where the principal office of the Association is situated, in a postage paid, sealed envelope, addressed to such member or director, at such address as appears on the books of the Association, or in the absence of such address, to such director or member at the General Post Office in the place where the principal office of the Association is situated, and such notice shall be deemed to have been given at the time the same shall be thus mailed.

Whenever any member entitled to vote has been absent from any meeting of members, and whenever any director has been absent from any meeting of the Board of Directors, an entry in the minutes of the meeting to the effect that notice has been duly given shall be prima facie evidence that due notice of such meeting was given to such absentee as required by law and these Bylaws.

Section 5. Defective Notices.

Any mistake, inadvertence or excusable neglect in giving any notice required by these Bylaws shall not affect the validity of any meeting called thereby, or of any proceedings had at such meeting.

Section 6. Headings and Titles.

All headings and titles used in these Bylaws, including those of Articles, sections and subsections, are intended solely for convenience of reference, and the same shall not, nor shall any of them, affect that which is set forth in such article, section or subsection, nor any of the terms or provisions of these Bylaws nor the meaning thereof.

Section 7. Notices of Voting Trustees.

Whenever as herein provided a member is entitled to any notice or notices or the right to examine books and records, similar notices shall be given and similar rights are hereby also granted to the voting trustee, if any, of such member. Provided, however, that where the same voting trustee represents more than one member, the secretary need not send such voting trustee a notice for each such member represented, but a single notice of the subject of each and every such notice may be sent to such trustee by the secretary.

Section 8. Ground Rules.

Subject to the limitations contained in any applicable Declaration of Restrictions, the Board of Directors may from time to time make, establish, publish, promulgate, amend and repeal Ground Rules, and enforce the same by establishing and collecting fines for the violation thereof, governing the use of the property, and any part or portion thereof, subject to the jurisdiction of the Association and the conduct of members and the occupants of each unit embraced within the property subject to the jurisdiction of the Association; which Ground Rules, and each of them shall be binding equally upon each and every member and each and every occupant of such unit. Any fine or fines established for the violation of any Ground Rule or Ground Rules shall be established and apply equally in amount and application to all persons. A current record of all Ground Rules, as amended, from time to time, and a record of the amount of any fines established for the violation thereof, shall be kept by the secretary of the Association and shall be available to any member at any reasonable time.

ARTICLE IX

Duration and Dissolution

(1) This Association, or its successor, shall continue in existence so long as the Declaration of Protective Restrictions, or any amendment thereof shall apply to subject property.

(2) Article IX of the Declaration prescribes action to be taken by the Board in the event of partial or total destruction of the buildings located on subject property, and said Article IX of the Declaration shall be controlling in this event.

(3) Article VII of the Constitution of the Association which is controlling provides:

"The Association shall issue no stock and shall not be operated for profit. No part of the activities of the Association shall consist of carrying on propaganca or attempting to influence legislation. No part of the assets, earnings or receipts of this Association shall be used outside the State of California, nor shall any part of said assets, earnings or receipts accrue to the benefit of any member, officer, or trustee of this Association. Upon dissolution of this Association, or partial or entire liquidation of its assets, all assets of this Association shall go and be distributed to an organization or association, fund or foundation organized and operated exclusively for charitable and religious purposes, and which organization is recognized as a tax exempt non-profit corporation by the United States Internal Revenue Service; and it is expressly provided that no part of the property of this Association shall be distributed to any member, director, or officer of this Association, or to any individual or corporation, except as above provided."

ARTICLE X

Interim Board of Directors

Prior to the election of a Board of Directors, its powers and remedies provided in the Declaration of Protective Restrictions may be exercised by an interim Board of Directors consisting of three directors to be appointed by Declarant.

ARTICLE XI

Amendments of Bylaws

These Bylaws may be amended by a vote of fifty-one percent (51%) of the members of the Association at a meeting duly held, or by the written consent of fifty-one percent (51%) of said members.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

(1) That I am the duly elected and acting secretary of CARMEL RANCHO THREE MERCHANTS' ASSOCIATION, an unincorporated non-profit association; and

(2) That the foregoing Bylaws comprising 24 pages, constitute the original Bylaws of this Association as duly adopted as the Bylaws of this Association at the first meeting of the Board of Directors thereof duly held 2/11, 1979.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 1st day of FEB, 1979.

FREDRICK S. STANLEY
Secretary

10

10. ALTERNATIVE TO VARIANCE

Please see the attached letter to the Director of Planning dated February 16, 2017 regarding Big Sur Cannabotancials' position regarding the 1,500 foot set-back requirement.

JENNIFER
ROSENTHAL
IVERSON
ATTORNEY AT LAW

February 16, 2017

Monterey County Resource Management Agency
Attention: Carl Holm
168 West Alisal Street, 2nd Floor
Salinas, CA 93901

RE: Big Sur Cannabotanicals Use Permit Application No.: PLN160803

Dear Mr. Holm:

This firm represents Big Sur Cannabotanicals (hereinafter referred to as BSCB) in their use permit application process in an effort to gain licensing for a medical cannabis dispensary located at 26352 Carmel Rancho Lane, Suite 100, Carmel, California. The intention of this letter is to discuss, as well as highlight, factors surrounding the 1,500 foot set-back requirement set forth in Monterey County Ordinance number 5270, Chapter 21.67.040 B3.

During BSCB's Development Review Committee meeting on January 24, 2017 it was confirmed that another applicant was in the process of applying for a use permit for a medical cannabis dispensary within 1,500 feet from BSCB's current location where they have been operating their business, thereby creating an issue with the set-back requirement. As a resolution to this issue agents from the County suggested we attempt to amend the general development plan for the Carmel Rancho area to allow both proposed dispensaries to operate in the Carmel Rancho area. Further, they suggested that by limiting the number of dispensaries to two the County could disregard the 1,500 set-back requirements in this specific situation.

As I am sure you are aware, limiting the Carmel Rancho development to only these two dispensaries would require each individual property owner to voluntarily place a deed restriction on their property that is enforceable by the County and runs with the land for perpetuity. Such a request upon a fellow property owner is substantial and provides no incentive to the property owner. It is highly unlikely that the surrounding property owners would be willing to burden their land for the benefit of a third party. In addition, it would allow two dispensaries to operate in a quaint, cottage community where local resistance will likely arise.

As a locally owned, small business, that has been operating since 2014 and has been in the current building since May 2016, coupled with the following historical facts set forth below, it is our position that BSCB determines the set back and should be given priority in the use permit application process.

BSCB was incorporated as a non-profit mutual benefit company with the Secretary of the State of California in September, 2014. During 2014-2015 they operated as a delivery service from a retail location in Carmel Valley. In the summer of 2015, the County of Monterey enacted the Interim Ordinance (Ord. No. 5265) to allow continued operation of a dispensary under the temporary moratorium that was enacted through the Interim Ordinance. However, in order to meet this test, the Director of Planning must make a finding that the dispensary was established prior to July 7, 2015. BSCB submitted an application to request an exemption from the Interim Ordinance. In May 2016 the RMA granted their request. (See May 20, 2016 letter from Director of Planning attached hereto as Exhibit 1.)

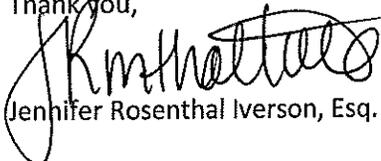
From that point on, BSCB was recognized as operating with permission by the County of Monterey as a pre-existing business. There was nothing in the letter that prohibited BSCB from moving locations so long as no permits were required, and there was nothing in the letter that required BSCB to report changing office locations to the County. However, since BSCB was granted an exemption they had thirty (30) days from the date the use permit application process opened to submit their use permit application.

In May 2016, BSCB executed a commercial lease agreement at 26365 Carmel Rancho Lane. This is the space directly above the additional space they are currently leasing and the space the use permit applies to. On December 5, 2016, in anticipation of the use permit application process, BSCB made sure to notify the County of Monterey via telephone and via email, of their current location (upstairs) as well as the proposed location (downstairs). (See December 5, 2016 email from Jennifer Rosenthal to Craig Spencer attached hereto as Exhibit 2.) On December 7, 2016, BSCB was the first to arrive and submit their application. They have gone through the Development Review Committee meeting, which required minor supplemental information. The only foreseeable issue, is the competing applicant who is not currently operating in the Carmel Rancho area, who did not obtain an exemption to operate under the County's moratorium.

BSCB is an established, locally owned, small business, operating with permission from the County in the Carmel Rancho shopping area. They followed the requirements set forth by the County and have complied with all local and State regulations regarding medical cannabis. For these reasons, we respectfully request the RMA to recognize BSCB as an established business that determines the 1,500 foot set-back.

Please feel free to contact me to discuss these matters.

Thank you,

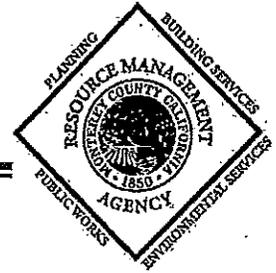


Jennifer Rosenthal Iverson, Esq.

Enclosures as noted.

MONTEREY COUNTY RESOURCE MANAGEMENT AGENCY

Carl P. Holm, AICP, Director



Building Services / Environmental Services / Planning Services / Public Works & Facilities
168 W. Alisal Street, 2nd Floor
Salinas, California 93901
(831)755-4800
www.co.monterey.ca.us/rma

May 20, 2016

Big Sur Cannabotanicals, Inc
Attn: John DeFloria and Aram Stoney
225 Crossroads Blvd, Ste 508

**Subject: Request for an exemption from the Interim Ordinance for Big Sur
Cannabotanicals medical marijuana dispensary**

Dear Mr. DeFloria and Mr. Stoney,

This letter responds to your request for an exemption determination from Interim Ordinance (Ord. No. 5265) to allow continued operation of a dispensary under the temporary moratorium enacted through the Interim Ordinance. To meet this test, the information must support a finding that the dispensary was established and all required permits were obtained prior to July 7, 2015 to the satisfaction of the Director of Planning

The information submitted with your request includes the following documentation:

- A Cover letter dated April 26, 2016 requesting an exemption from the interim ordinance, describing Big Sur Cannabotanicals operations adherence to applicable State and Federal laws and guidelines and identifying the enclosed documentation within the package. The enclosed documents include:
 - Articles of Incorporation of Big Sur Cannabotanicals dated September 23, 2014;
 - IRS Employer Identification number issued October 20, 2014;
 - A Seller's Permit from the State of California issued January 1, 2015
 - State and Federal Income Tax returns for 2014 and 2015;
 - A Real Estate Commission Agreement dated June 1, 2016; and
 - A letter of intent to lease space at the Barnyard shopping center undated but with an expiration date of April 18, 2016

This information was supplemented by information proved through email correspondence to include the location of the dispensary operations as of July 7, 2015 (27875 Berwick Drive, Carmel, a lease agreement for Big Sur Jade Company dated February 1, 2015, and a copy of a fictitious business name statement filed with the Monterey County Clerk on April 13, 2015 for Big Sur Jade Traders also doing business as Big Sur Cannabotanicals, Inc.

Based on the information submitted, Director of Planning finds as follows:

1. Interim Ordinance No. 5254 was adopted on July 7, 2016 prohibiting new collective or cooperative operations in the County with certain exceptions.
 - Section 5, Item C of Ordinance No. 5254 provided an exception stating: "This interim ordinance does not prohibit the operation of any medical marijuana dispensary if [...] such use had commenced and all required County approvals and land use permits had been obtained prior to [July 7, 2015]";
2. Big Sur Jade Traders filed a Fictitious Business Name Statement doing business as Big Sur Cannabotanicals, Inc., with the County of Monterey on April 13, 2015;
3. Big Sur Jade Company entered into a lease for tenant space at 27875 Berwick Drive, Carmel;
4. 27875 Berwick Drive in Carmel is zoned Heavy Commercial, with Design Control, Site Plan Review, and Residential Allocation zoning district overlays (HC-D-S-RAZ).
 - Prior to adoption of the interim urgency ordinance, this zoning district would have allowed office space from which a delivery service could be operated and no new permits would have been required for this use at this site.

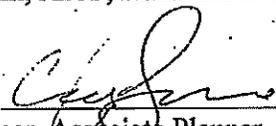
Based on the findings listed above, it is the determination of the Director of Planning that Big Sur Cannabotanicals, Inc. had commenced operation prior to July 7, 2015, and did not require County approvals or land use permits to operate at 27875 Berwick Drive, Carmel at the time the use had commenced. Therefore, Big Sur Cannabotanicals, Inc. is not prohibited from operating under the Interim ordinance.

With regard to the dispensary location, the County will not permit any use or development for new or expanded operations under the Interim Ordinance. If you have specific questions about permit requirements for uses or improvements at a specific site please contact us and we will provide you with information on permit requirements under the existing County code.

Also please be aware that the exception granted from the Interim Ordinance does not exempt the property owner(s) and/or business owner(s) from the requirements of any ordinance which the County may subsequently adopt relating to dispensing of marijuana. If and when ordinances are adopted you will have 30 days to apply for permits and up to one year to obtain necessary permits under the ordinance. Some operations, even if allowed to continue under this exception may not be able to obtain permits as a result of County and/or State regulations. If you do not receive the required County permits within one year of adoption of regulations for dispensary operations, or if you do not receive licenses required by the State, this exception will become void and your operations will be required to cease.

If you have any questions regarding this letter please do not hesitate to contact Craig Spencer at (831) 755-5233 or by email at spencerc@co.monterey.ca.us

Sincerely,
Carl P. Holm, AICP, RMA Director

Signed by: 
Craig Spencer, Associate Planner

11. DRC COMMENTS

Pursuant to Craig Spencer's letter dated February 15, 2017 following please find Big Sur Cannabotanicals' response to the various County department comments based from the DRC meeting on January 24, 2017:

Fire:

Please see the attached building permit for the property indicating the project was designed to meet the Mercantile (M) occupancy type that can be found in Section 6.f. In addition, upon issuance of the use permit and prior to occupancy the fire alarm system will be upgraded to include audible horns and visual strobes. It will also be linked with the other security system in the building. Please see the attached security system addendum from First Alarm under Section 13. Also prior to occupancy the "emergency only exit" door will have access from both sides and there will no longer be mechanically locked doors. An occupancy sign will be hung prior to occupancy. Pursuant to our discussion with the Fire Marshal no alterations need to be made prior to submitting our use permit application.

Building:

No building permits are being sought for this project.

Environmental Health:

Based upon our conversations with the Environmental Health Bureau and the RMA, Big Sur Cannabotanicals has been informed that they do not need to apply for their retail food facility permit until they are issued a use permit. Upon issuance of the use permit and prior to occupancy, Big Sur Cannabotanicals will apply for the retail food facility permit. Please see the attached site plan that highlights where the trash and recycling enclosures are located. Big Sur Cannabotanicals will utilize the services of WM INC. for weekly curbside pick-up of non-cannabis related waste. Recycle and trash containers will be stored onsite. We have been informed by the Monterey County Sheriff's Office that they do not have protocols in place with regard to the disposal of raw or dried cannabis flower or other cannabis infused products. Upon issuance of their policy and procedures, Big Sur Cannabotanicals will comply with all requirements set forth. BSCB will have very little cannabis related waste. In an effort to prevent diversion of any expired cannabis infused products or dried flower waste, Big Sur Cannabotanicals will use the WM protocols for disposing of prescription drugs. Continual communication with the MCSO will take place to ensure all appropriate steps are taken to prevent diversion through waste products.

Water Resource Agency:

Please see the attached Monterey Peninsula Water Management District Non-Residential Waster Release Form and Water Permit Application located in section 15.

Sheriff:

Security cameras will be placed facing both outward toward the parking lot and within the building. On-site security guards will be present twenty-four (24) hours a day. There will also be a lockable safe and

storage area. First Alarm has been contracted to provide the alarm system. For additional information regarding the facility's security please see the attached security plan provided by Divinity Protection Services located in section 6.k.

Agricultural Commissioner:

Please see section 17 for product and labeling samples.

RMA:

Please see section 10 with regard to Big Sur Cannabotanicals' position with regard to the setback requirements set forth in Section 21.67.040.B.3 of the Monterey County Code. Big Sur Cannabotanicals' proposed operations include only a medical cannabis dispensary and delivery service. Their business plan no longer includes any other uses that were previously discussed. Please see section 6.m. with regard to only purchasing product from other businesses operating in good standing, section 6.l. regarding checking identification and medical recommendations, and section 6.n. regarding record keeping procedures and policies. All other operational details can be found in section 6.a-p.

The following policies and procedures are in place for the delivering of medical cannabis:

Delivery services are presently available to registered members of Big Sur Cannabotanicals. Registered dispensary agents deliver cannabis products between the dispensary and patients and qualified caregivers only in municipalities that permit delivery of medical cannabis. All delivery requests must be pre-ordered by 4:00 pm the previous day.

BSCB will use and maintain delivery tracking logs for the transportation of cannabis on behalf of our dispensary and each specific delivery will be recorded in our POS management system. (Please see the attached delivery log.) The delivery tracking log, along with a digital copy of the delivery request, will accompany a registered dispensary agent when transporting cannabis on behalf of BSCB. The delivery tracking log will contain the following information:

- The chain of custody records for all goods being delivered
 - BSCB's contact information;
 - The name of the dispensary agent in charge of the transportation;
 - The date the cannabis is being transported;
 - The receiving qualified patient's or caregiver's identification number;
 - The anticipated route for the trip;
 - A signature from the recipient of the product.

All delivery tracking logs will be retained by the location; a copy will accompany the delivery. A digital master tracking log will be kept and maintained at BSCB medical cannabis dispensary and all delivery tracking logs will be maintained onsite for a minimum of one year. Records will be made available to administrative agencies upon request. Home delivery orders may be received by telephone. Each order will be authenticated by validating the patient recommendation prior to processing.

After a home delivery order has been placed in the system a ticket will be generated and sent to the inventory department. Delivery software will be used to cluster orders and create delivery routes. The Inventory Assistant Manager will assemble each order and prepare shipments for the dispensary agent

couriers. Fully assembled orders will remain in inventory until the couriers are ready to pick the order up, at which point the Inventory Assistant Manager will be escorted by a member of the security team to the receiving room where the couriers will double check each order and the associated records. Once verified the courier will load the delivery vehicle while security oversees the process. All cannabis will be transported in a secure, locked storage compartment within the trunk of the vehicle transporting the cannabis. The transport conditions will protect against physical, chemical, and microbial contamination, and against diversion, theft, loss or deterioration. When the vehicle has been fully loaded deliveries will commence.

Upon arriving at a delivery location, the courier will notify BSCB storefront before entry. The registered qualified patient or qualified caregiver must produce their doctor recommendation and valid proof of identification. In the event the patient or caregiver is unable to produce their recommendation, the delivery courier will not deliver the product. The identification must contain a name, photograph, and date of birth, and shall be limited to a driver's license, a government issued identification card, a military identification card, or a passport. Upon returning to the vehicle the courier will communicate back to BSCB and report whether the delivery was successful or not, along with any details. Any orders that are undeliverable will be re-weighed and accounted for upon return to BSCB where it will be put back in to general inventory. Any material discrepancy in weight or inventory will be documented and reported to Monterey County Sheriff's Office within 24 hours.

The cannabis will not be visible from outside the vehicle, which will bear no markings of the dispensary or markings that indicate that the vehicle is being used to transport cannabis.

An inconspicuous and eco-friendly vehicle will be used for deliveries. A copy of the dispensary's current permits, licenses, and entitlements authorizing them to provide delivery services will be included, along with the registration and proof of insurance. Any vehicle transporting cannabis will travel directly to the destinations registered on the delivery log and not make any unnecessary stops. For an emergency stop, a detailed entry will be maintained in the delivery tracking log that describes the reason, duration, location, and any activities of personnel exiting the vehicle. Each vehicle used for transport will have a global positioning system device monitored by the dispensary during transport. Any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport, will be reported to local law enforcement within two hours of the incident.

The following policies and procedures are in place for vendor verification:

Big Sur Cannabotanicals (BSCB) currently uses the GUIDELINES FOR THE SECURITY AND NON-DIVERSION OF MAIJUANA GROWN FOR MEDICAL USE issued by Attorney General Edmund G Brown Jr. and the Department of Justice of the State of California in August 2008. The bottom text is an excerpt from the DOJ Guidelines that explain the requirements.

At this time the requirement for Vendors is the same requirement for members/patients, in that they must only become a member/patient of the collective. BSCB has a membership/patient agreement form that ensures compliance, as well as computer software for tracking member/patient transactions and doctor recommendation status.

BSCB does take further action by requiring that all vendor products are tested for the health and safety of its members/patients.

Furthermore, the provision in SB 420 affording legal protection to patient collectives and cooperatives, HSC 11362.775, will end one year after the Bureau posts a notice on its website that licenses have commenced being issued. After that date, all cannabis collectives operating commercially will have to be licensed. Facilities currently operating in accordance with state and local laws may continue to do so until such time as their state license applications are approved or denied.

AGENCIES- AB 266 establishes a new Bureau of Medical Cannabis Regulation under the Department of Consumer Affairs. The Bureau is to establish a comprehensive Internet system for keeping track of licensees and reporting the movement of commercial cannabis and cannabis products.

DISTRIBUTORS REQUIRED- Type 11 distributors are a new kind of entity that has been created to regulate the flow of products. All cultivation and manufacturing licensees are required to send their products to a Type 11 licensee for quality insurance and inspection before passing them to the next stage of manufacturing or retailing. The Type 11 licensee in turn submits the product to a Type 8 laboratory for batch testing and certification. Afterwards, the sample returns to the Type 11 distributor for final inspection and execution of the contract between the cultivator and manufacturer or manufacturer and retailer. The Type 11 distributor charges a fee that covers the testing plus any applicable taxes (the act doesn't impose any new taxes, but anticipates that could happen in the near future) (AB 266, 19326).

Type 11 distributors and Type 8 testing facilities can't hold any other kind of licenses (however, licensees may have their own labs for in-house testing).

BSCB will remain in compliance with the new laws as they are presented.

The Department of Justice State of California GUIDELINES FOR THE SECURITY AND NON-DIVERSION OF MARIJUANA GROWN FOR MEDICAL USE

B. Guidelines for the Lawful Operation of a Cooperative or Collective: Collectives and cooperatives should be organized with sufficient structure to ensure security, non-diversion of marijuana to illicit markets, and compliance with all state and local laws. The following are some suggested guidelines and practices for operating collective growing operations to help ensure lawful operation.

1. Non-Profit Operation: Nothing in Proposition 215 or the MMP authorizes collectives, cooperatives, or individuals to profit from the sale or distribution of marijuana. (See, e.g., § 11362.765(a) ["nothing in this section shall authorize . . . any individual or group to cultivate or distribute marijuana for profit"].)

2. Business Licenses, Sales Tax, and Seller's Permits: The State Board of Equalization has determined that medical marijuana transactions are subject to sales tax, regardless of whether the individual or group makes a profit, and those engaging in transactions involving medical marijuana must obtain a Seller's Permit. Some cities and counties also require dispensing collectives and cooperatives to obtain business licenses. (Please see BSCB's seller's permit attached hereto.)

3. Membership Application and Verification: When a patient or primary caregiver wishes to join a collective or cooperative, the group can help prevent the diversion of marijuana for non-medical use by having potential members complete a written membership application. The following application guidelines should be followed to help ensure that marijuana grown for medical use is not diverted to illicit markets:

- a) Verify the individual's status as a qualified patient or primary caregiver. Unless he or she has a valid state medical marijuana identification card, this should involve personal contact with the recommending physician (or his or her agent), verification of the physician's identity, as well as his or her state licensing status. Verification of primary caregiver status should include contact with the qualified patient, as well as validation of the patient's recommendation. Copies should be made of the physician's recommendation or identification card, if any;
- b) Have the individual agree not to distribute marijuana to non-members;
- c) Have the individual agree not to use the marijuana for other than medical purposes;
- d) Maintain membership records on-site or have them reasonably available;
- e) Track when members' medical marijuana recommendation and/or identification cards expire; and
- f) Enforce conditions of membership by excluding members whose identification card or physician recommendation are invalid or have expired, or who are caught diverting marijuana for non-medical use.



USA Waste of California, Inc.
 172 98th Ave.
 Oakland, CA, 94603
 (510) 613-8740

WM Agreement #
 Customer Acct #
 Acct. Name
 Salesperson
 Effective Date
 Last API Date

S0008433782
 Big Sur Canna Botanicals
 Justin Conn
 2/23/2017

Service Agreement Non-Hazardous Waste Service Summary

Service Information

Name **Big Sur Canna Botanicals** Contact **Aram Stoney**
 Address **26352 CARMEL RANCHO LN STE 100** Telephone # **(821) 224-3075**
 City State Zip **CARMEL, CA 93923** Fax #
 County/Parish **MONTEREY** Email **aramstoney@hotmail.com**

Billing Information

Name **Big Sur Canna Botanicals** Contact **Aram Stoney**
 Address **225 THE CROSSROADS BLVD # 212** Telephone # **(821) 224-3075**
 City State Zip **CARMEL, CA 93923** Fax #
 County/Parish **MONTEREY** Email **aramstoney@hotmail.com**

Customer Comments:

Service Description & Recurring Rates

Quantity	Equipment	Material Stream	Frequency	Base Rate	
1	32 Gallon FEL Toter	MSW Commercial	1x Per Week	Fuel & Environmental/RCR	\$ 30.21 \$ 0.00 *

Current rate for Extra Pickup (per Lift): \$ 15.11

TOTAL : \$ 30.21 *

Quantity	Equipment	Material Stream	Frequency	Base Rate	
1	64 Gallon FEL Recycling Toter	Single Stream Recycling	1x Per Week	Fuel & Environmental/RCR	\$ 0.00 \$ 0.00 *

TOTAL : \$ 0.00 *

Customer's Waste Materials not to exceed an average weight of lbs/yard.

GRAND TOTAL \$ 30.21 *

Initial One Time Service Charges*

As Needed Services*

Initial Delivery \$ 0.00

The above listed Charges are for recurring services only. Charges for all additional services will be at current rates at the time of service. These include but are not limited to: extra pickups, container removal, overages and contamination. Contact Waste Management for a full list of such additional services and current prices.

*Fuel Surcharge, Environmental Charge, and Regulatory Cost Recovery ("RCR") Charge apply to all other Charges whether or not listed on this summary; any amounts shown above are estimated, and actual amounts will be calculated at the time of invoicing based on a percentage of the Charges. Information about these charges can be found at www.wm.com/billhelp. State & Local taxes, and/or fees and a Recycle Material Offset, if applicable, will also be added to the Charges. An Administrative Charge per invoice will be assessed and can be removed by enrolling in paperless statements and automated payments.

Contract Term is for 5 year(s) from the Effective Date ('Initial Term') this agreement does not have a Renewal Term.

The individual signing this agreement on behalf of customer acknowledges that he/she has read and accepts the terms and conditions of this agreement which accompany this service summary sheet and that he/she has the authority to sign on behalf of the customer.

Customer Signature _____

Printed Name _____

Title _____

Date _____

Company USA Waste of California, Inc.

Printed Name _____

Waste Management Sales Rep.
 Title _____

Date _____

Terms and Conditions on following page(s)

1. SERVICES RENDERED; WASTE MATERIALS. Customer grants to Company the exclusive right, and Company through itself and its subsidiaries and corporate affiliates, shall furnish equipment and services, to collect and dispose of and/or recycle all of Customer's Waste Materials at Customer's Service Address(es) listed on the Service Summary. Customer represents and warrants that the materials to be collected under this Agreement shall be only "Waste Materials" as defined herein. For purposes of this Agreement, "Waste Materials" means all non-hazardous solid waste, organic waste and Recyclable Materials (as defined in Section 12 below) generated by Customer or at Customer's Service Address. Waste Materials includes Special Waste, such as industrial process wastes, asbestos-containing material, petroleum contaminated soils, treated/de-characterized wastes, and demolition debris, for which Customer shall complete a Special Waste Profile sheet to be approved by Company in writing. Waste Materials excludes, and Customer agrees not to deposit or permit the deposit for collection of: any waste tires, radioactive, volatile, corrosive, flammable, explosive, biomedical, infectious, bio-hazardous, regulated medical or hazardous waste, toxic substance or material, as defined by, characterized or listed under applicable federal, state, or local laws or regulations, any materials containing information protected by federal, state or local privacy and security laws or regulations (unless tendered to Company an additional Exhibit L to this Agreement), or Special Waste not approved in writing by Company (collectively, "Excluded Materials"). Title to and liability for Excluded Material shall remain with Customer at all times. Title to Customer's Waste Materials is transferred to Company upon Company's receipt or collection unless otherwise provided in this Agreement or applicable law.

2. TERM. The Term of this Agreement is set forth on the Service Summary of this Agreement. Unless otherwise specified on the Service Summary, the Term shall automatically renew for the period set forth therein unless either party gives to the other party written notice (See Section 11(e)) of termination at least ninety (90) days, but not more than one hundred eighty (180) days, prior to the termination of the then-existing term. Notice of termination received at any other time will be considered ineffective and the contract will be considered automatically renewed upon completion of the then-existing term.

3. SERVICES GUARANTY; CUSTOMER TERMINATION. If the Company fails to perform the services described within five business days of its receipt of a written demand from Customer (See Section 11(e)), Customer may terminate this Agreement with the payment of all monies due through the termination date. If Company increases the Charges payable by Customer hereunder for reasons other than as set forth in Section 4 below, Customer shall have the right to terminate this Agreement by written notice to the Company no later than thirty (30) days after Company notifies Customer of such increase in Charges in writing. If Customer so notifies Company of its termination of this Agreement, such termination shall be of no force and effect if Company withdraws or removes such increase within fifteen (15) days after Customer provides timely notification of termination. Absent such termination, the increased Charges shall be binding and enforceable against Customer under this Agreement.

4. CHARGES; PAYMENTS; ADJUSTMENTS. Upon receipt of an invoice, Customer shall pay any and all charges, fees and other amounts payable under this Agreement for the services and/or equipment (including repair and maintenance) furnished by Company ("Charges"). Company reserves the right to increase the Charges payable by Customer during the Term: (a) for any changes to, or differences between, the actual equipment and services provided by Company to Customer and those specified on the Service Summary; (b) for any change in the composition of the Waste Materials or if the average weight per yard of Customer's Waste Materials exceeds the amount specified on the Service Summary; (c) for any increase in or other modification to the Company's Fuel Surcharge, Regulatory Cost Recovery Charge, Recycle Material Offset, Environmental Charge, and/or any Fees/Charges included in the Service Summary; (d) to cover any increases in disposal and/or third party transportation costs, including fuel surcharges; (e) to cover increased costs due to uncontrollable circumstances, including, without limitation, changes in local, state or federal laws or regulations, imposition of taxes, fees or surcharges or acts of God such as floods, fires, hurricanes and natural disasters; and (f) no more often than annually from the Effective Date (or if specified on the Service Summary, Customer's Last Annual Price Increase ("API") Date) for increases in any Consumer Price Index or components thereof applicable to the Services provided under this Agreement plus four percent of the then current Charges. Any increase in Charges enumerated in clauses (a) through (f) above may include an amount for Company's operating or profit margin. Company also reserves the right to charge Customer additional charges if additional services are provided as needed to Customer, including, but not limited to: container relocation or removal; gate, enclosure or roll out services; account resume services; and extra trip charges. In the event Company adjusts the Charges as provided in this Section 4, the parties agree that this Agreement as so adjusted will continue in full force and effect. Increases for reasons other than as specified herein are subject to Customer's rights under Section 3.

Any Customer invoice balance not paid within thirty (30) days of the date of invoice is subject to a late charge, and any Customer check returned for insufficient funds is subject to a Non Sufficient Funds fee, both to the maximum extent allowed by applicable law. Customer acknowledges that any late charge charged by the Company is not to be considered as interest on debt, is not a penalty, and is a reasonable charge for late payment. In the event that payment is not made when due, Company retains the right to suspend service until the past due balance is paid in full. If Company reinstates suspended services after receipt of an outstanding balance, Customer shall pay a reactivation charge. In the event that service is suspended in excess of fifteen (15) days, Company may terminate this Agreement for such default and recover any equipment and all amounts owed hereunder, including liquidated damages under Section 7.

5. CHANGES. Changes in the frequency of collection service, schedule, number, capacity and/or type of equipment, and any changes to amounts payable under this Agreement, may be agreed to orally, in writing, by payment of the invoice or by the actions and practices of the parties. If Customer changes its Service Address during the Term, this Agreement shall remain valid and enforceable with respect to services rendered at Customer's new service location if such location is within Company's service area.

6. EQUIPMENT, ACCESS. All equipment furnished by Company shall remain its property; however, Customer shall have care, custody and control of the equipment and shall be liable for all loss or damage to the equipment and for its contents while at Customer's location. Customer shall not overload, move or alter the equipment or allow a third party to do so, and shall use it only for its intended purpose. At the termination of this Agreement, Customer shall return the equipment to Company in the condition in which it was provided, normal wear and tear excepted. Customer shall provide safe and unobstructed access to the equipment on the scheduled collection day. Company may suspend services or terminate this Agreement in the event Customer violates any of the requirements of this provision. Customer shall pay, if charged by Company, an additional fee for any service modifications caused by or resulting from Customer's failure to provide access. Customer warrants that Customer's property is sufficient to bear the weight of Company's equipment and vehicles and that Company shall not be responsible for any damage to the Customer's pavement or any other surface resulting from the equipment or Company's services.

7. LIQUIDATED DAMAGES. In the event Customer terminates this Agreement prior to the expiration of the Initial or Renewal Term ("Term") for any reason other than as set forth in Section 3, or in the event Company terminates this Agreement for Customer's default, Customer shall pay the following liquidated damages in addition to the Company's legal fees, if any: (a) if the remaining Term (including any applicable Renewal Term) under this Agreement is six or more months, Customer shall pay the average of its six most recent monthly Charges (or, if the Effective Date is within six months of Company's last invoice date, the average of all monthly Charges) multiplied by six; or (b) if the remaining Term under this Agreement is less than six months, Customer shall pay the average of its six most recent monthly Charges multiplied by the number of months remaining in the Term. Customer shall pay liquidated damages of \$100 for every Customer waste tire that is found at the disposal facility. Customer acknowledges that the actual damage to Company in the event of termination is impractical or extremely difficult to fix or prove, and the foregoing liquidated damages amount is reasonable and commensurate with the anticipated loss to Company resulting from such termination and is an agreed upon fee and is not imposed as a penalty.

8. INDEMNITY. The Company agrees to indemnify, defend and save Customer, its parent, subsidiaries, and corporate affiliates, harmless from and against any and all liability which Customer may be responsible for or pay out as a result of bodily injuries (including death), property damage, or any violation or alleged violation of law, to the extent caused by any negligent act or omission or willful misconduct of the Company or its employees, which occurs (a) during the collection or transportation of Customer's Waste Materials, or (b) as a result of the disposal of Customer's Waste Materials in a facility owned by the Company or a Waste Management company, provided that the Company's indemnification obligations will not apply to occurrences involving Excluded Materials.

Customer agrees to indemnify, defend and save the Company, its parent, subsidiaries, corporate affiliates and their joint venture partners, harmless from and against any and all liability which the Company may be responsible for or pay out as a result of bodily injuries (including death), property damage, or any violation or alleged violation of law to the extent caused by Customer's breach of this Agreement or by any negligent act or omission or willful misconduct of the Customer or its employees, agents or contractors or Customer's use, operation or possession of any equipment furnished by the Company.

Neither party shall be liable to the other for consequential, incidental or punitive damages arising out of the performance or breach of this Agreement.

9. RIGHT OF FIRST REFUSAL. Customer grants to Company a right of first refusal to match any offer relating to services similar to those provided hereunder which Customer receives (or intends to make) upon termination of this Agreement for any reason and Customer shall give Company prompt written notice of any such offer and a reasonable opportunity to respond to it.

10. DISPUTE RESOLUTION-ARBITRATION AGREEMENT AND CLASS ACTION WAIVER. BINDING ARBITRATION: Except for those claims expressly excluded below (EXCLUDED CLAIMS), Customer and Company agree that ANY and all existing or future controversy or claim between them arising out of or related to this Agreement or any prior agreements between the parties, whether based in contract, law or equity or alleging any other legal theory, or arising prior to, in connection with, or after the termination of this Agreement or any other agreements, shall be resolved by mandatory binding arbitration (see www.wm.com for details on arbitration procedures). **CLASS ACTION WAIVER:** Customer and Company agree that under no circumstances, whether in arbitration or otherwise, may customer bring any claim against the Company, or allow any claim that the Customer may have against the Company to be asserted, as part of a class action, on a consolidated or representative basis or otherwise aggregated with claims brought by, or on behalf of, any other entity or person, including other customers of the Company. **EXCLUDED CLAIMS:** The following are not subject to mandatory binding arbitration: (A) either party's claims against the other in connection with bodily injury or real property damage and for environmental indemnification; and (B) Company's claims against Customer for collection or payment of Charges, damages (liquidated or otherwise) or any other amounts due or payable to the Company by the Customer under this Agreement or any prior agreements between the parties, but Customer and Company may mutually agree to arbitrate any Excluded Claims.

11. MISCELLANEOUS. (a) Except for the obligation to make payments hereunder, neither party shall be in default for its failure to perform or delay in performance caused by events or significant threats of events beyond its reasonable control, whether or not foreseeable, including, but not limited to, strikes, labor trouble, riots, imposition of laws or governmental orders, fires, acts of war or terrorism, acts of God, and the inability to obtain equipment, and the affected party shall be excused from performance during the occurrence of such events. (b) This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns. (c) This Agreement represents the entire agreement between the parties and supersedes any and all other agreements for the same services, whether written or oral, that may exist between the parties. (d) This Agreement shall be construed in accordance with the law of the state in which the services are provided. (e) All written notification to Company required by this Agreement shall be by Certified Mail, Return Receipt Requested to Company's address on the first page of the Service Summary. (f) If any provision of this Agreement is declared invalid or unenforceable, then such provision shall be severed from and shall not affect the remainder of this Agreement; however, the parties shall amend this Agreement to give effect, to the maximum extent allowed, to the intent and meaning of the severed provision. (g) In the event the Company successfully enforces its rights against Customer hereunder, the Customer shall be required to pay the Company's attorneys' fees and court costs.

12. RECYCLING SERVICES. The following shall apply to fiber and non-fiber recyclables ("Recyclable Materials") and recycling services:

a. (i) Single stream, commingled Recyclable Materials ("Single Stream") will consist of 100% of Customer's clean, dry, paper or cardboard without wax liners; clean, dry and empty aluminum food and beverage containers, ferrous (iron) or steel cans, aerosol cans, and rigid container plastics #1-7, including narrow neck containers and tubs, but excluding foam and film plastics. No individual items may be excluded from Single Stream service. Glass may be included with specific approval of Company. Any material not set forth above, including tissue or paper that had been in contact with food, is unacceptable ("Unacceptable Materials"). Single Stream may contain up to 5% Unacceptable Materials. (ii) Customer shall provide wastepaper in accordance with the most current ISRI Scrap Specifications Circular and any amendments thereto or replacements thereof. (iii) All other Recyclable Materials will be delivered in accordance with the Company specifications that are available at www.recycleamerica.com or such specifications communicated to Customer by Company.

b. Recyclable Materials may not contain Excluded Materials or chemical or other properties that are deleterious or capable of causing material damage to any part of Company's property, its personnel or the public or materially impair the strength or the durability of the Company's structures or equipment. Company may reject in whole or in part Recyclable Materials not meeting the specifications, and Customer shall reimburse Company for all losses incurred with respect to such Recyclable Materials including costs of transportation and disposal.

c. Where Company has agreed in writing to provide a market-based rebate to Customer, the following shall apply. Customer acknowledges that the market value for Recyclable Materials will fluctuate based upon various factors, and such materials may at times have no value or that the value may be negative. Company will establish the value of Recyclable Materials each month based upon such various factors, including but not limited to quantity, quality and location. For recycling services, Company shall pay or charge Customer on or about the last day of each month for Recyclable Materials accepted during the preceding month, after deduction of any Charges owed to Company by Customer. Any invoice shall be payable upon receipt. Where recycling services are provided, Charges may include separate fuel and environmental surcharges as set forth at www.recycleamerica.com.

d. Notwithstanding anything to the contrary set forth above, the Liquidated Damages calculation, set forth in Section 7 of this Agreement, shall not apply to any Customer breach of the Agreement pertaining to services for Recyclable Materials, which have been determined by Company to have a positive value. If a breach occurs under such circumstances, the damages shall be determined by calculating actual damages rather than Liquidated Damages.

e. Service arrangements will be agreed upon between Customer and Company for the service locations set forth in this Agreement. For trailer load quantities, Customer shall load trailers to full visible capacity to achieve 40,000 pounds minimum shipping weight and trailers shall be loaded or caused to be loaded in accordance with the most current ISRI/AF&PA Shipping Guide. Freight and/or adjustments may apply to light loads. Customer shall be responsible for any loss, damage or destruction to equipment including trailers for any cause while located at Customer's location. For baled wastepaper picked up in less than trailer load quantities, minimum quantity for pickup is six (6) bales and for purposes of payment, weights shall be estimated weights. Company reserves the right at its sole discretion upon notice to Customer to discontinue acceptance of any category of Recyclable Materials as a result of market conditions related to such materials and makes no representations as to the recyclability of the materials which are subject to this contract.

DISPLAY CONSPICUOUSLY AT PLACE OF BUSINESS FOR WHICH ISSUED

CALIFORNIA STATE BOARD OF EQUALIZATION

SELLER'S PERMIT



ACCOUNT NUMBER

1/1/2015 SR GHC 102-671676

BIG SUR CANNABOTANICALS
BIG SUR CANNABOTANICALS
26352 CARMEL RANCHO LN
CARMEL, CA 93923-8755

NOTICE TO PERMITTEE
You are required to obey all Federal and State laws that regulate or control your business. This permit does not allow you to do otherwise.

IS HEREBY AUTHORIZED PURSUANT TO SALES AND USE TAX LAW TO ENGAGE IN THE BUSINESS OF SELLING TANGIBLE PERSONAL PROPERTY AT THE ABOVE LOCATION. THIS PERMIT IS VALID ONLY AT THE ABOVE ADDRESS.

THIS PERMIT IS VALID UNTIL REVOKED OR CANCELED AND IS NOT TRANSFERABLE. IF YOU SELL YOUR BUSINESS OR DROP OUT OF A PARTNERSHIP, NOTIFY US OR YOU COULD BE RESPONSIBLE FOR SALES AND USE TAXES OWED BY THE NEW OPERATOR OF THE BUSINESS.

Not valid at any other address

**For general tax questions, please call our Customer Service Center at 1-800-400-7115 (TTY:711).
For information on your rights, contact the Taxpayers' Rights Advocate office at 1-888-324-2798 or 1-916-324-2798.**

BOE-442-R REV. 16 (11-14)

A MESSAGE TO OUR NEW PERMIT HOLDER

As a seller, you have rights and responsibilities under the Sales and Use Tax Law. In order to assist you in your endeavor and to better understand the law, we offer the following sources of help:

- Visiting our website at www.boe.ca.gov
- Visiting a field office
- Attending a Basic Sales and Use Tax Law class offered at one of our field offices
- Sending your questions in writing to any one of our offices
- Calling our toll-free Customer Service Center at 1-800-400-7115 (TTY:711)

As a seller, you have the right to issue resale certificates for merchandise that you intend to resell. You also have the responsibility of not misusing resale certificates. While the sales tax is imposed upon the retailer,

- You have the right to seek reimbursement of the tax from your customer
- You are responsible for filing and paying your sales and use tax returns timely
- You have the right to be treated in a fair and equitable manner by the employees of the California State Board of Equalization (BOE)
- You are responsible for following the regulations set forth by the BOE

As a seller, you are expected to maintain the normal books and records of a prudent businessperson. You are required to maintain these books and records for no less than four years, and make them available for inspection by a BOE representative when requested. You are also expected to notify us if you are buying, selling, adding a location, or discontinuing your business, adding or dropping a partner, officer, or member, or when you are moving any or all of your business locations. If it becomes necessary to surrender this permit, you should only do so by mailing it to a BOE office, or giving it to a BOE representative.

If you would like to know more about your rights as a taxpayer, or if you are unable to resolve an issue with the BOE, please contact the Taxpayers' Rights Advocate office for help by calling toll-free, 1-888-324-2798 or 1-916-324-2798. Their fax number is 1-916-323-3319.

Please post this permit at the address for which it was issued and at a location visible to your customers.

CALIFORNIA STATE BOARD OF EQUALIZATION

Sales and Use Tax Department

12

12. ZONING ORDINANCE SECTION 21.67.040

Requirements / Findings	BSCB Compliance
B. 1. Dispensaries shall be located only in zoning districts that specifically provide for this use.	The proposed location: 26352 Carmel Rancho Lane is zoned: LC-D-S-RAZ.
B. 2. Dispensaries shall not be located within six hundred (600) feet from any school, public park, or a drug recovery facility.	There are no schools, public parks or drug recovery facilities within 600 feet of 26352 Carmel Rancho Lane.
B. 3. Dispensaries shall not be located within one thousand five hundred (1,500) feet of another dispensary.	At this time BSCB is currently operating at 26364 Carmel Rancho Lane and there are no other medical cannabis dispensaries in operation <u>at this time</u> within 1,500 feet from their business. Please see section 10 for further information.
B. 4. Dispensaries shall keep accurate records of all business operations and provide such records for inspection consistent with Section 19327 of the California Business and Professions Code.	BSCB uses MJ Freeway to track and trace all products as well as all patient records. See section 6.n.
B. 5. a. Dispensaries shall prevent individuals from loitering on the premises of the dispensary if they are not engaging in activity expressly related to the operations of the dispensary.	BSCB has contracted with Divinity Protection Services and there will be 24 hour security on-site. During hours of operation there will also be a security guard in plain clothes at the entrance of the facility to ensure timely entrance and exit and that people do not loiter in and around the premises. Please see section 6.k. for the detailed security plan.
B. 5. b. Dispensaries shall establish limited access areas accessible only to authorized dispensary personnel.	All product will either be kept in a locked safe or will be in the dispensary room where only a limited number of members can enter at a time. Members will never be alone in the dispensary room and will not have access to the locked safe that is located in another room of the facility.
B. 5. c. Dispensaries shall store all cannabis and cannabis products in a secured and locked safe room, safe, or vault, and in a manner as to prevent diversion, theft, and loss, except for limited amounts of cannabis and cannabis products used for display purposes, samples or immediate sale.	Only a limited amount of product will be used for display purposes and all other product will be stored in a locked safe accessible only by management.
B. 5. d. Dispensaries shall install security cameras on site.	Security cameras will be facing both outward toward the parking lot and within the building. Please see the attached map highlighting where security cameras will located in section 4.
B. 5. e. Dispensaries shall provide for on-site security personnel meeting the requirements and	Please see the security plan located in section 6.k.

standards contained within Chapter 7.30 of the Monterey County Code. On-site security shall not carry firearms or other lethal weapons.	
B. 6. a. All employees delivering medical cannabis or products shall carry a copy of the dispensary's current permits, licenses, and entitlements authorizing them to provide delivery services.	Please see section 11 under RMA.
B. 6. b. All employees delivering medical cannabis or products shall carry the employee's government-issued identification.	Please see section 11 under RMA.
B. 6. c. All employees delivering medical cannabis or products shall carry a copy of the delivery request.	Please see section 11 under RMA.
B. 6. d. All employees delivering medical cannabis or products shall carry) Chain of custody records for all goods being delivered.	Please see section 11 under RMA.
B. 7. Dispensaries shall ensure that all cannabis and cannabis products at the dispensary are cultivated, manufactured, transported, distributed, and tested by licensed and permitted facilities that maintain operations in full conformance with state and local regulations.	Please see section 6.m.
B. 8. Dispensaries shall not distribute any medical cannabis or medical cannabis product unless the medical cannabis and medical cannabis products are labeled and in a tamper-evident package in compliance with Section 19347 of the California Business and Professions Code and any additional rules promulgated by the licensing authority.	Please see proposed labels and packaging under section 17.
B. 9. a. Dispensaries shall notify the Monterey County Sheriff's Office and the licensing authority within 24 hours after discovering significant discrepancies identified during inventory.	Please see the security plan under section 6.k.
B. 9. b. Dispensaries shall notify the Monterey County Sheriff's Office and the licensing authority within 24 hours after discovering diversion, theft, loss, or any criminal activity involving the dispensary or any agent or employee of the dispensary.	Please see the security plan under section 6.k.
B. 9. c. Dispensaries shall notify the Monterey County Sheriff's Office and the licensing authority within 24 hours after discovering the loss or unauthorized alteration of records related to cannabis, registered qualifying patients, primary caregivers, or dispensary employees or agents.	Please see the security plan under section 6.k.

<p>B. 9. d. Dispensaries shall notify the Monterey County Sheriff's Office and the licensing authority within 24 hours after discovering any other breach of security.</p>	<p>Please see the security plan under section 6.k.</p>
<p>B. 10. Possession or delivery of any other form of illegal drugs without proper legal authorization shall be grounds for revocation of permits.</p>	<p>Only medical cannabis will be delivered and on the property. BSCB does not condone the use of illegal drugs by their staff or members on the premises. In the event BSCB becomes aware of employees or members using and/or distributing illegal drugs they will be terminated and their membership will be revoked. All incidents will be reported to the MCSO within 24 hours.</p>
<p>C. 1. A Use Permit shall not be granted unless he dispensary, as proposed, has demonstrated that it can and will comply with all of the requirements of the State and County to operate a medical cannabis dispensary.</p>	<p>BSCB has complied with all requirements set forth by the County and State thus far. They filed Articles of Incorporation with the State of California for their non-profit mutual benefit company in 2014. They were issued a seller's permit in January 2015, they are current with all State and Federal taxes. In addition, they are one of two exemptions issued by the RMA of the County of Monterey permitting them to operate their business under the moratorium enacted in July 2015. Please see exemption letter dated May 20, 2016 from the Director of Planning under section 10. As required they applied for their DRC within 30 days of the cannabis application process being opened by the County.</p>
<p>C. 2. A Use Permit shall not be granted unless the dispensary will not be located within six hundred (600) feet from any school, public park, or drug recovery facility, or within one thousand five hundred (1,500) feet of another dispensary.</p>	<p>The current and proposed location is not within 600 feet from any school, public park or drug recovery center. <u>Currently</u> there is not another dispensary in operation within 1,500 feet from BSCB's current and proposed location. Please see section 10.</p>
<p>C. 3. A Use Permit shall not be granted unless the dispensary, as approved and conditioned, will not result in significant unavoidable impacts of the environment.</p>	<p>BSCB's proposed project does not require any alterations to the current site or the surrounding area. The prior use of the premises was retail and the proposed use will also be retail.</p>
<p>C. 4. A Use Permit shall not be granted unless 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.</p>	<p>Please see section 6.p. with regard to odor prevention. Please see section 6.k. with regard to the proposed security plan that specifically addresses minimizing loitering and security measures. Please see section 6.b. for the hours of operation.</p>

<p>C. 5. A Use Permit shall not be granted unless the dispensary will provide adequate measures that address the federal enforcement priorities for cannabis activities including providing for restrictions on drugged driving, restricting access to minors, prohibiting use or possession of firearms for security purposes at the premises, and ensuring that medical cannabis and medical cannabis products are supplied from permitted and licensed sources.</p>	<p>In the delivery service component of our business, we hope to prevent drugged driving by bringing the medicine to the patients. Furthermore, we require all patients to sign an agreement that includes a provision that they will not drive under the influence of medical cannabis. Also, all sales in the dispensary end with the placing of product into a bag which is then stapled shut to discourage opening it until the patient is home. Please refer to section 6.l. for information about restricting access to minors. Please refer to section 6.k. for information about prohibiting firearms for security purposes. Please refer to section 6.n. as well as section 11 for information about ensuring that medical cannabis and products are supplied from permitted and licensed sources.</p>
<p>D. 1. The medical cannabis dispensary shall allow access to dispensary facilities and 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.</p>	<p>The County of Monterey will be permitted unfettered access to BSCB's facility and records.</p>
<p>D. 2. The applicant, owner, and all permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the County or their designee.</p>	<p>BSCB agrees to pay for inspection of relevant records by the County of Monterey.</p>
<p>D. 3. The applicant for the dispensary facility and property owner shall indemnify, defend, and hold the County harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the commercial medical cannabis activity.</p>	<p>BSCB agrees to hold harmless the County of Monterey against any and all claims.</p>
<p>D. 4. Any person operating a medical cannabis dispensary shall obtain a valid and fully executed commercial medical cannabis permit pursuant to Chapter 7.90 of the Monterey County Code prior to commencing operations and must maintain such permit in good standing in order to continue operations.</p>	<p>Upon receipt of the use permit and prior to commencing operations, BSCB will apply for the commercial medical cannabis permit pursuant to Chapter 7.90 of the Monterey County Code.</p>
<p>D. 5. The owner shall be responsible for ensuring that all commercial medical cannabis activities at the site operate in good standing with all permits</p>	<p>BSCB will ensure continued good standing with all permits required by both the County of Monterey and State of California.</p>

<p>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 medical cannabis activities at the site who do not maintain permits or licenses in good standing with the County or State shall be grounds for the suspension or revocation of a Use Permit pursuant to Section 21.67.120 of the Monterey County Code.</p>	
<p>D. 6. The dispensary shall operate only in accordance with the operating plans reviewed and approved by the County. The County shall limit the hours of operation for a dispensary to begin no earlier than 8:00 a.m. and to end no later than 8:00 p.m.</p>	<p>Please refer to section 6 for the operating procedures and specifically 6.b. for hours of operation.</p>

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13. FIRE AGENCY REQUIREMENTS

Based on our conversations with the Fire Marshal, prior to occupancy:

- We will have an occupancy sign that states maximum occupancy of 49.
- We will have a key for access to the side door in the Knox Box located on the side of the building.
- We will need to have an additional strobe and horn on the dispensary side of the space.
- The Emergency exit door will have access from both side.

Also:

- We will not be having any buzz in type locks so we will not need it to be wired in to the security system.
- We no longer need to put the "pull pin to release" signage for the metal screens.

Upon issuance of the use permit and prior to occupancy the fire alarm system will be upgraded to include audible horns and visual strobes. It will also be linked with the other security system in the building. Please see the attached security system addendum from First Alarm. Also prior to occupancy the "emergency only exit" door will have access from both sides and there will no longer be mechanically locked doors. An occupancy sign will be hung prior to occupancy. Pursuant to our discussion with the Fire Marshal no alterations need to be made prior to submitting our use permit application.



ADDENDUM # 1

THIS ADDENDUM dated 3/9 2017, shall become part of and subject to the terms and conditions therein of the existing contract, titled Commercial Contract, and dated 11/29, 2016, by and between First Alarm and the Subscriber Catlin Capital Investment, LLC. located at 26352 Carmel Rancho Lane, Carmel, CA 939323.

It is agreed and understood between the parties hereto that the Subscriber requests First Alarm to install additional equipment and related devices and/or services as follows:

ADD: (1) Manual Pull Station & (1) Ceiling Mount Horn Strobe in Suite 100

Includes: Scope of work letter and final.

The Subscriber hereby agrees to pay to First Alarm, its agents or assigns, the sum of \$ 900.00 for the cost of connecting said additional equipment and related devices and/or services. Said amount to be payable as follows:

1. \$ N/A at the time of the signing of this Addendum.
2. \$ N/A upon pre-wire of said additional equipment and related devices and/or services.
3. \$ 900.00 upon completion of the installation of said additional equipment and related devices and/or services.

And Subscriber shall pay in addition to the existing monthly rate the further sum of \$ N/A.

This Addendum shall not be binding upon First Alarm unless accepted in writing by an authorized representative of First Alarm; and in the event of failure of acceptance, the sole liability of First Alarm shall be to refund to the Subscriber the amount, if any, that has been paid to First Alarm upon the signing of this Addendum.

The Subscriber hereby acknowledges receipt of a copy of this Addendum.

The undersigned affirms that he/she is a duly authorized corporate officer, partner, proprietor or owner of the above named "**SUBSCRIBER**".

By *Kimthea Iversen* Date 3/8/17
[Subscriber signature in ink]

Jennifer Rosenthal
[Print or type name of individual signing and Title]

First Alarm:

By _____ Date _____
[signature in ink]
Ken Pacheco
[Print or type name of individual signing and Title]

State of California License Number ACO 1277
 California Contractors License Number 430530 (C7, C10)

Mail all notices to:
First Alarm
1111 Estates Drive
Aptos, CA 95003
Telephone (831) 476-1111

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14. PUBLIC WORKS DEPARTMENT

According to Craig Spencer's letter dated February 16, 2017 public works has no comment on this proposed project.

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15. WATER RESOURCE AGENCY

Please see the attached Monterey Peninsula Water Management District Non-Residential Water Release Form and Water Permit Application.

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
NON-RESIDENTIAL WATER RELEASE FORM AND WATER PERMIT APPLICATION**

NOTE: When approved and signed by the Jurisdiction this form must be submitted with final and complete Construction Plans to:

Monterey Peninsula Water Management District Permit Office
5 Harris Court, Bldg. G - Monterey, CA 93940 ~ (831) 658-5601 ~ www.mpwmd.net ~ Fax (831) 644-9558
Completing the Water Release Form & Water Permit Application does not guarantee issuance of a Water Permit.

ALL SPACES BELOW MUST BE COMPLETED OR THE APPLICATION MAY NOT BE PROCESSED. (Please print firmly)

1. OWNERSHIP INFORMATION:

Name: Richard Catlin

Daytime telephone: (760) 470-6315

Mailing Address: 7373 Almaden Ln., Carlsbad, CA 92009

2. AGENT/REPRESENTATIVE INFORMATION:

Name: Jennifer Rosenthal

Daytime telephone: (831) 625-5193

Mailing Address: PO Box 1021, Carmel Valley, CA 93924

3. PROPERTY INFORMATION:

Year building was constructed? 1971 Existing Square-footage 2178 Proposed Square-footage 2178

Address: 26352 Carmel Rancho Ln., Carmel Assessor Parcel Number 015-012-055

Is a water meter needed? (Circle one) YES (How Many _____) NO NOTE: Separate water meters are required for each User.

Water company serving parcel: Cal Am

4. Type of Non-Residential Use: Commercial Retail Cannabis Dispensary

5. Project Description (Be thorough and detailed): Commercial cannabis dispensary.

Any Change in Use/Expansion of Use requires a Water Permit. Deed Restriction Required for all Water Permits. Mandatory Retrofit Upon Expansion of Use.

**Table No. 1
Existing Group I (All Uses before project)**

Type of Use	Quantity	Factor	Use/AF
Auto Uses	_____	x 0.0007	= _____
Bank	_____	x 0.0007	= _____
Convenience Store	_____	x 0.0007	= _____
Church	_____	x 0.0007	= _____
Dental/Medical/Vet Clinic	_____	x 0.0007	= _____
Dry Cleaner (No on-site laundry)	_____	x 0.0007	= _____
Family Grocery	_____	x 0.0007	= _____
Fast Photo	_____	x 0.0007	= _____
Gym	_____	x 0.0007	= _____
Nail Salon	_____	x 0.0007	= _____
Office	_____	x 0.0007	= _____
Retail	<u>2178</u>	x 0.0007	= <u>15246</u>
School	_____	x 0.0007	= _____
Supermarket	_____	x 0.0007	= _____
Warehouse	_____	x 0.0007	= _____

**Table No. 2
Post Project Group I (All Uses after project)**

Type of Use	Quantity	Factor	Use/AF
Auto Uses	_____	x 0.0007	= _____
Bank	_____	x 0.0007	= _____
Convenience Store	_____	x 0.0007	= _____
Church	_____	x 0.0007	= _____
Dental/Medical/Vet Clinic	_____	x 0.0007	= _____
Dry Cleaner (No on-site laundry)	_____	x 0.0007	= _____
Family Grocery	_____	x 0.0007	= _____
Fast Photo	_____	x 0.0007	= _____
Gym	_____	x 0.0007	= _____
Nail Salon	_____	x 0.0007	= _____
Office	_____	x 0.0007	= _____
Retail	<u>2178</u>	x 0.0007	= <u>15246</u>
School	_____	x 0.0007	= _____
Supermarket	_____	x 0.0007	= _____
Warehouse	_____	x 0.0007	= _____

Existing Group II (All Uses before project)
Users in this category prepare and sell food or beverages that are served on disposable tableware.

Type of Use	Quantity	Factor	Use/AF
Bakery	_____	x 0.0002	= _____
Bistro	_____	x 0.0002	= _____
Catering	_____	x 0.0002	= _____
Coffee House	_____	x 0.0002	= _____
Deli	_____	x 0.0002	= _____
Ice Cream Shop	_____	x 0.0002	= _____
Pizza	_____	x 0.0002	= _____
Sandwich Shop	_____	x 0.0002	= _____

Post Project Group II (All Uses after project)
Users in this category prepare and sell food or beverages that are served on disposable tableware.

Type of Use	Quantity	Factor	Use/AF
Bakery	_____	x 0.0002	= _____
Bistro	_____	x 0.0002	= _____
Catering	_____	x 0.0002	= _____
Coffee House	_____	x 0.0002	= _____
Deli	_____	x 0.0002	= _____
Ice Cream	_____	x 0.0002	= _____
Pizza	_____	x 0.0002	= _____
Sandwich	_____	x 0.0002	= _____

Existing Group III (All Uses before project)

Type of Use	Quantity	Factor	Use/AF
Assisted Living (6+beds)	_____	x 0.085 bed	= _____
Beauty Shop	_____	x 0.0567 station	= _____
Child Care	_____	x 0.0072 child	= _____
Dog Grooming	_____	x 0.0567 station	= _____
Dormitory	_____	x 0.040 room	= _____
Gas Station	_____	x 0.0913 pump	= _____
Irrigated area (within 10 ft. of bldg.)	_____	x ETWU	= _____
Laundromat	_____	x 0.20 machine	= _____
Meeting Hall	_____	x 0.0053 sf	= _____
Motel Large Tub	_____	x 0.03 tub	= _____
Motel/Hotel/B&B	_____	x 0.1 room	= _____
Plant Nursery	_____	x 0.0009 sf	= _____
Public Toilets	_____	x 0.058 toilet	= _____
Public Urinals	_____	x 0.036 urinal	= _____
Restaurant (Fast Food)	_____	x 0.038 seat	= _____
Restaurant/Bar (General)	_____	x 0.02 seat	= _____
Self-Storage	_____	x 0.0008 unit	= _____
Skilled Nursing	_____	x 0.120 bed	= _____
Spa	_____	x 0.05 spa	= _____
Swimming Pool (each 100 sq-ft of pool surface)	_____	x 0.02 sf	= _____
Theater	_____	x 0.0012 seat	= _____
Zero Water Urinal	_____	no value	= _____
EXISTING QUANTITY	TOTAL		= _____

Post Project Group III (All Uses after project)

Type of Use	Quantity	Factor	Use/AF
Assisted Living (6+beds)	_____	x 0.085 bed	= _____
Beauty Shop	_____	x 0.0567 station	= _____
Child Care	_____	x 0.0072 child	= _____
Dog Grooming	_____	x 0.0567 station	= _____
Dormitory	_____	x 0.040 room	= _____
Gas Station	_____	x 0.0913 pump	= _____
Irrigated area (within 10 ft. of bldg.)	_____	x ETWU	= _____
Laundromat	_____	x 0.20 machine	= _____
Meeting Hall	_____	x 0.0053 sf	= _____
Motel Large Tub	_____	x 0.03 tub	= _____
Motel/Hotel/B&B	_____	x 0.1 room	= _____
Plant Nursery	_____	x 0.0009 sf	= _____
Public Toilets	_____	x 0.058 toilet	= _____
Public Urinals	_____	x 0.036 urinal	= _____
Restaurant (Fast Food)	_____	x 0.038 seat	= _____
Restaurant/Bar (General)	_____	x 0.02 seat	= _____
Self-Storage	_____	x 0.0008 unit	= _____
Skilled Nursing	_____	x 0.120 bed	= _____
Spa	_____	x 0.05 spa	= _____
Swimming Pool (each 100 sq-ft of pool surface)	_____	x 0.02 sf	= _____
Theater	_____	x 0.0012 seat	= _____
Zero Water Urinal	_____	no value	= _____
PROPOSED QUANTITY	TOTAL		= _____

Group IV - Modified Uses

Reduced water capacity from types of uses listed in Groups I-III and have received a Water Use Credit for modifications
New Connections - Refer to District Rule 24-B-2 "Exterior Non-Residential Water Demand Calculations"
PROPOSED WATER USAGE (DIFFERENCE BETWEEN EXISTING USE - POST PROJECT USE)

Quantity	Factor	Use/AF
<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>

(Jurisdiction must authorize water for positive result)

In completing this Water Release Form, the undersigned (as owner or as agent for the property owner) acknowledges that any discrepancy or mistake may cause rejection or delay in processing of the application. Additionally, the undersigned is responsible for accurately accounting for the type of Non-Residential use. In addition, Changes of Use or Expansions completed without a Water Permit may result in additional fees and penalties, the imposition of a lien on the property, and the deduction of water from the local Jurisdiction's Allocation.

I certify, under penalty of perjury, that the information provided on this Water Release Form & Permit Application is to my knowledge correct, and the information accurately reflects the changes presently planned for this property.

Jennifer Rosenthal
Signature of Owner/Agent

2/19/17
Date

AUTHORIZATION FOR WATER PERMIT - JURISDICTION USE ONLY

___ AF Paralta Allocation ___ AF Public Credits ___ AF Pre-Paralta Credits ___ WDS (Private Well) ___ No water needed

Notes: Authorized by: _____ Date: _____
This form expires on the same date as any discretionary or building permit issued for this Project by the Jurisdiction
WHITE - MPWMD YELLOW - APPLICANT PINK - LOCAL JURISDICTION

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16. ENVIRONMENTAL HEALTH

Pursuant to our discussions with the Monterey County Health Department as well as the RMA we have been informed and are proceeding on the belief that it is not necessary for BSCB to apply for a retail food use permit prior to receiving the land use entitlement. Upon receipt of our use permit, and if deemed necessary by the Monterey County Health Department, we will apply for a retail food permit.

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17. AGRICULTURAL COMMISSIONER

Please see the attached Application for Device Registration and proposed product labels.

MONTEREY COUNTY

AGRICULTURAL COMMISSIONER

ERIC LAURITZEN
AGRICULTURAL COMMISSIONER
1428 ABBOTT STREET - SALINAS, CALIFORNIA 93901
PHONE: (831) 759-7325 FAX: (831) 422-5003



APPLICATION FOR DEVICE REGISTRATION

Location Specific Information:

BUSINESS NAME: Blg Sur CannaBotanicals		
BUSINESS ADDRESS: 26352 Carmel Rancho Lane	CITY: Carmel	ZIP CODE: 93923
CONTACT NAME: Aram Stoney	CONTACT TITLE: Owner	
BUSINESS PHONE: 831-224-3075	CELL PHONE (OPTIONAL): same	FAX MACHINE:
EMAIL (OPTIONAL): aramstoney@hotmail.com		

Corporate / Business Mailing Information – If the same as above check here []:

CORPORATE NAME: Big Sur CannaBotanicals			
MAILING ADDRESS: 225 Crossroads Blvd., #212	CITY: Carmel	STATE: CA	ZIP CODE: 93923
CONTACT NAME: Aram Stoney	CONTACT TITLE: Owner		
BUSINESS PHONE: same as above	CELL PHONE (OPTIONAL):	FAX MACHINE:	
EMAIL (OPTIONAL): same as above			

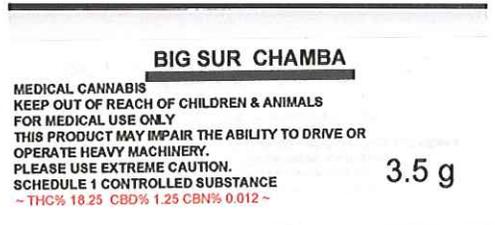
Weighing or Measuring Device Information:

DEVICE TYPE(S) AND NUMBER (EQUIPMENT NUMBER IF APPLICABLE I.E. TRUCK #001): A&D FX300iN New 9 a.m. - 6 p.m. by appt. only*
START-UP DATE (IF ALREADY NOT IN USE): TBD

SIGNATURE: 	DATE: 3/13/17
----------------	------------------

LABEL and PACKAGING FOR DRIED FLOWER

The proposed label below will be applied to all dried flower packaged onsite at the dispensary. All flower will be packaged in child resistant containers before it is dispensed to the patient and will be placed in an opaque exit bag.



The labeling requirements from Monterey County Ordinance 5272 Chapter 7.90.110 highlighted below are not relevant to this product and have been omitted from the label for the following reasons.

- B-5. The intoxicating effects of consuming dried flower are generally felt within 5 minutes of use.
- D. No nuts are used in the cultivation or processing of dried flower.
- H. Dried flower is not an edible
-

7.90.120 - Packaging and labeling requirements

Prior to the sale or the delivery of medical cannabis or medical cannabis product the same shall be labeled and in a tamper-evident packaging. Labels and packages shall at least meet all of the following minimum requirements:

- A. Packages and labels shall not be made to be attractive to children.
- B. Product labels shall include the following information displayed in a clear and legible font:
1. Manufacture date and source;
 2. The statement "SCHEDULE I CONTROLLED SUBSTANCE";
 3. The statement "KEEP OUT OF REACH OF CHILDREN AND ANIMALS" in bold typeface;
 4. The statement "FOR MEDICAL USE ONLY";
 5. The statement "THE INTOXICATING EFFECTS OF THIS PRODUCT MAY BE DELAYED BY UP TO TWO HOURS"; and
 6. The statement "THIS PRODUCT MAY IMPAIR THE ABILITY TO DRIVE OR OPERATE MACHINERY. PLEASE USE EXTREME CAUTION".

C. For packages containing only dried flowers, the net weight of the cannabis in the package.

D. A warning if nuts or other known allergens are used.

E. List of pharmacologically active ingredients including, but not limited to, tetrahydrocannabinol (THC), cannabidiol (CBD), and other cannabinoid content, the THC and other cannabinoid amount in milligrams per serving, servings per package, and the THC and other cannabinoid amount in milligrams for the package total.

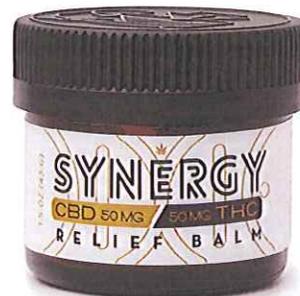
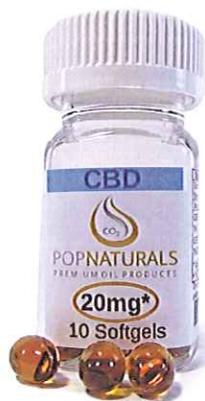
F. Clear indication, in bold typeface, that the product contains cannabis.

G. Identification of the source and date of cultivation and manufacture.

H. Only generic food names may be used to describe edible cannabis products.

Labels and Packaging for Medical Cannabis Products & Edibles

Big Sur Cannabotanicals does not currently manufacture goods or make edible cannabis products. All Products carried by BSCB follow State labeling and packaging guidelines. All products will be placed in an opaque exit bag after purchase. Pictured below are several examples of these products.

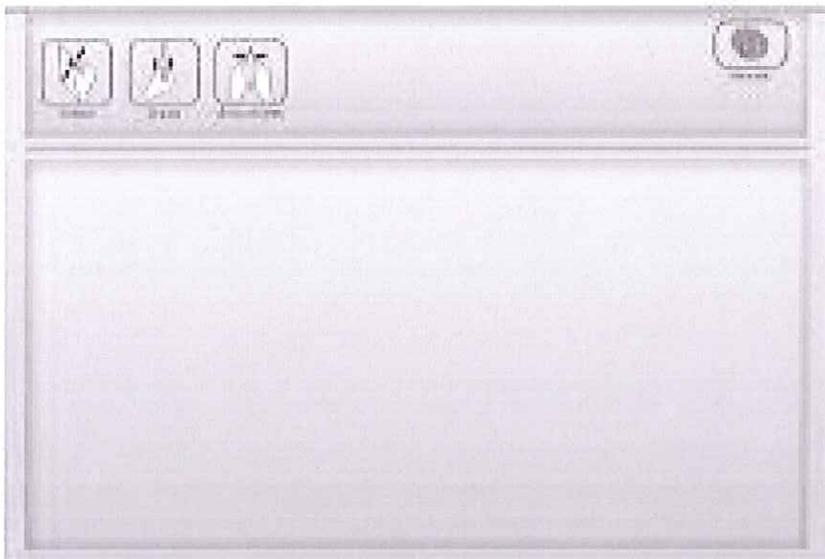


MEDICAL CANNABIS DISPENSARY EXIT BAGS

Big Sur Cannabotanicals will use the Pinch N Slide Bag™ for all products not already packaged in child proof packaging, and will have the proper labeling as required by the County and State affixed to the front (see attached).

“The Pinch N Slide Bag™ is the perfect ASTM and CPSC tested and certified child proof exit bag for your dispensary needs. This bag was designed with dual zipper mechanisms to ensure your dry herb, edibles, and concentrated products can be safely packaged and carry out of the store with zero smell and child resistant compliant with the most stringent state laws as enacted in the state of Colorado and Washington. The bag has been updated from it's previous model with a new bottom gusset, adding more depth and capacity to the bag overall once fully sealed.

This bag was tested to the child resistant criteria set forth by the Consumer Product Safety Commission as recorded in the code of Federal Regulations found in 16 C.F.R. Part 1700.20.”



EXIT BAG LABEL

**PACKAGE CONTAINS
MEDICAL CANNABIS PRODUCTS**

**KEEP OUT OF REACH OF CHILDREN & ANIMALS
FOR MEDICAL USE ONLY**

**USE OF ENCLOSED PRODUCTS MAY IMPAIR THE ABILITY TO DRIVE OR
OPERATE HEAVY MACHINERY**

PLEASE USE EXTREME CAUTION

**THE INTOXICATING EFFECTS OF SOME OR ALL OF THE PRODUCTS CONTAINED
IN THIS PACKAGE MAY BE DELAYED FOR UP TO TWO HOURS
SCHEDULE 1 CONTROLLED SUBSTANCE**

--Big Sur Cannabotanicals--

--26352 Carmel Rancho Lane Carmel, CA 93923--

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18. TAX COLLECTOR

Attached please find the Big Sur Cannabotanicals self reporting tax form submitted to the County of Monterey on March 2, 2017.

JENNIFER
ROSENTHAL
IVERSON

ATTORNEY AT LAW

March 2, 2017

Monterey County RMA
c/o Jackie Nickerson
168 West Alisal Street, 2nd Floor
Salinas, CA 93901

Re: Big Sur Cannabotanicals, Commercial Cannabis Business Tax Self Reporting Form

Dear Monterey County RMA, Tax Collector, and Ms. Nickerson:

Enclosed please find the completed Commercial Cannabis Business Tax Self Reporting Form for our client Big Sur Cannabotanicals. Please do not hesitate to call our office with any questions. Thank you.

Very truly yours,



Rachel K. Parker for
Jennifer Rosenthal Iverson, Esq.

JRI/rp

Enc.(1)



MONTEREY COUNTY TAX COLLECTOR

MARLA ZEEB, TREASURER - TAX COLLECTOR

P.O. Box 891, Salinas, CA 93902-0891

Phone: 831-755-5017; Fax: 831-759-6623

Business.Tax@co.monterey.ca.us

Name: Big Sur Cannobotanicals
DBA:
Address: 26364 Carmel Rancho Lane Ste 201
City, State, Zip: Carmel, CA, 93923

Date: 2/27/2017
Fiscal Year: 2016-2017

COMMERCIAL CANNABIS BUSINESS TAX SELF REPORTING FORM

This is not a bill. No payment is due at this time.

Pursuant to Monterey County Code Chapter 7.100 and the Administrative Rules and Procedures for Commercial Cannabis Business Tax promulgated by the Monterey County Treasurer-Tax Collector, all persons or entities engaged in commercial cannabis activities, as defined therein, shall self-report such activities to the Monterey County Resource Management Agency (RMA) immediately by completing the Commercial Cannabis Business Tax Self Reporting Form. Completed forms should be mailed to: Monterey County RMA, c/o Jackie Nickerson, 168 West Alisal Street, 2nd Floor, Salinas, CA 93901.

Please provide the following information. All fields are required.

Name of Business/Individual: Big Sur Cannobotanicals

Trade Name / DBA:

Name of individual completing this form: Aram Stoney

Title: Co-Owner

Email address: aramstoney@hotmail.com Telephone Number: 831-224-3075

Principal Place of Business: 26364 Carmel Rancho Lane Ste 201 Carmel, CA 93923
(Street) (City) (State, Zip)

Assessor Parcel Number (s) for Principal Place of Business: 015012056000

Mailing Address of Business: 225 Crossroads Blvd #212 Carmel, CA 93923
(Street) (City) (State, Zip)

The date commercial cannabis activities commenced within Monterey County: 09/2014

Type of activity: (Select one of the following and complete the required information)

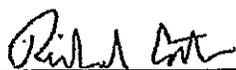
- [] Cannabis Cultivation (non-nursery)
• Total square feet of canopy:
[] Cannabis Cultivation (nursery)
• Total square feet of canopy:
[X] All other cannabis businesses
• Describe the exact nature of the business:
Cannabis Dispensary

I declare under penalty of perjury of the laws of the State of California that the information provided hereing is true and correct.

Signature of Owner/Agent: [Signature] Aram Stoney Co-Owner 2/27/2017
Print Name and Title Date

Catlin Property
Management 7373
Almaden Lane
Carlsbad, CA 92009
760-470-6315, 760-470-6316

I, Richard Catlin, hereby acknowledge that I am the owner of the commercial building located at 26364 Carmel Rancho Lane, Carmel, CA 93923 and have granted Big Sur Canna-Botanicals permission to operate a commercial medical cannabis business at 26364 Carmel Rancho Lane Carmel, CA 93923 since June 03, 2016. In addition, I am the owner of 26352 Carmel Rancho Lane Carmel, CA 93923 and hereby grant Big Sur Canna-Botanicals permission to operate a medical marijuana dispensary at 26352 Carmel Rancho Lane, Carmel, CA 93923.



Richard Catlin
Owner

ACKNOWLEDGEMENT

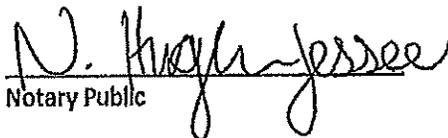
STATE OF CALIFORNIA)
San Diego)
COUNTY OF MONTEREY (N.S.)

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

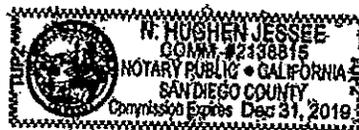
On December 6, 2016, before me, N. Hughen Jessee, a notary public, personally appeared Richard Catlin who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within Instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Notary Public



Catlin Property Management
7261 Almaden Lane
Carlsbad, CA 92009
760-470-6315, 760-470-6316

Date: 6-3-16

Name: John DeFloria
Address: 225 Crossroads Blvd, #212
Carmel, CA 93923

Phone: 831-224-3075

Re: Commercial Lease at 26364 Carmel Rancho Lane, Suite 201, Carmel, CA

Dear John and Aram,

This letter shall constitute the lease ("Lease") between John DeFloria and Aram Stoney ("Tenant") and Catlin Property Management ("Landlord") for the leasing of commercial space owned by Landlord at 26352 Carmel Rancho Lane, Carmel, CA (the "Premises").

1. Premises. The Premises shall consist of 2nd floor space located within a building at 26364 Carmel Rancho Lane, Carmel (the "Building"). In addition to the Premises, Tenant shall have the non-exclusive right to use the restrooms, hallways, parking areas, driveways, landscaped areas, sidewalks and the like located in, about or adjacent to the Property and owned and/or controlled by Landlord (the "Common Area").
2. Use. Tenant may use the Premises for gathering and for such other purposes as are customary and usual in connection with the foregoing general use.
3. Lease term. The Term of the Lease shall be month to month and shall commence on June 3rd, 2016 (the "Commencement Date"). Should Tenant take possession of the Premises prior to the Commencement Date, all the terms and conditions of this Lease shall become effective except for rent.
4. Rent.
 - a. Monthly Rent. During the Term of the Lease, Tenant shall pay to Landlord in advance on or before the first (3rd) day of each month Seven-Hundred Dollars (\$700.00) (the "Monthly Rent").
 - b. Late Charge and Interest on Rent in Default. Tenant acknowledges that the late payment by Tenant of any monthly installment of Monthly Rent will cause

Landlord to incur certain costs and expenses not contemplated under this Lease, the exact amount of which are extremely difficult or impractical to fix. Therefore, if any such Monthly Rent is not received by Landlord within three (3) days after the date payment is due, Tenant immediately shall pay to Landlord a late charge equal to five percent (5%) of such delinquent Rent. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for their loss suffered by Tenant's failure to make timely payment. If Monthly Rent is not paid within the three (3) day grace period, Tenant shall pay to Landlord, in addition to any late charge, interest on the delinquent amount at ten percent (10%) per annum from the due date until paid.

5. **Security Deposit.** Upon execution of this Lease, Tenant shall deposit with Landlord the amount of Zero Dollars (\$00.00) as security for Tenant's performance of Tenant's obligations as set forth in this Lease.
6. **Leasehold Improvements.** At the Commencement Date the Premises shall be improved for the Use, as deemed necessary by Tenant, as set forth above in Paragraph 2. Subject to Paragraph 7 herein below, Tenant, at Tenant's sole cost and expense, shall construct or cause to be constructed any alterations or improvements in or about the Premises (the "Leasehold Improvements").
 - a. **Landlord's Warranty.** Landlord hereby represents and warrants that, at the Commencement Date, the Premises shall be in full compliance with all applicable Laws, regulations, and covenants, conditions and restrictions concerning the Premises (collectively "Legal Requirements").

Landlord shall be responsible for all costs and expenses associate with all ADA, fire safety systems, earthquake, seismic and handicap requirements associated with the Premises and Common Areas of the Building. Tenant shall be responsible for all costs and expenses associated with the ADA and handicap requirements within the Premises after taking occupancy of the Premises as it may relate to furniture, fixtures, equipment, and any Alterations as described in Paragraph 7 herein below.
 - b. **Indemnification of Landlord.** Tenant hereby indemnifies and holds Landlord harmless from any loss, costs, expenses, or liability, including attorneys' fees and court costs of whatever nature or kind, that they may incur at any time which result from or arise out of Tenant's construction of any Leasehold Improvements.
 - c. **Signs.** Any and all signs that Tenant wishes to display on the Common Area shall be subject to the prior written approval of Landlord which shall not be unreasonably withheld.

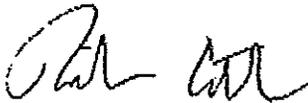
7. Alterations. Tenant may not construct or cause to be constructed in the Premises any improvements or alterations ("Alteration") unless Tenant has obtained the prior written consent of Landlord which shall not be unreasonably withheld.
8. Maintenance and Repair. The parties shall have the following obligations with respect to maintenance and repair of the Premises and Common Area:
- a. Tenant's Obligations. Except as provided below, Tenant, at Tenant's sole expense, shall clean, keep and maintain the interior Premises in good condition and repair. With respect to utility facilities serving the Premises, Tenant shall be responsible for maintenance and repair of such facilities only up to the point where they join a main or other junction from which utility services are distributed to the Premises. Tenant shall be responsible for the replacing and/or repairing of the bulbs in the light fixtures.
 - b. Landlord's Obligations. Landlord, at Landlord's sole expense, shall keep and maintain the structural portions of the roof, exterior and structural walls and foundations of the Building and paving located on the Premises and/or Common Area in good condition and repair.
9. Utilities. From and after the Commencement Date, Landlord shall make available to the Premises all utilities required for Tenant's intended use. Tenants shall pay all charges for gas, electricity, telephone, waste-pick up and all other utilities supplied to the premises.
10. Insurance. Tenant, at Tenant's expense, shall maintain public liability insurance including bodily injury and property damage, insuring Landlord and Tenant with combined single limit coverage of not less than the amount of Five Hundred Thousand Dollars (\$500,000.00).
- Tenant shall provide Landlord with a Certificate of Insurance showing Landlord as additional insured. The Certificate shall provide for a ten-day written notice to Landlord in the event of cancellation or material change of coverage. To the maximum extent permitted by insurance policies which may be owned by Landlord or Tenant, for the benefit of each other, Landlord and Tenant waive any and all rights of subrogation which might otherwise exist.
11. Assignment and Subletting. Tenant shall not assign this Lease or sublet any portion of the Premises.
12. No Smoking Policy. Tenant acknowledges and agrees to abide by Landlord's no smoking policy in effect for the entire Building including Tenant's Premises.
13. Attorney's Fees. In the event that Landlord or Tenant is required to employ an attorney to enforce the terms and conditions of this Lease, or Landlord is required to employ an attorney to recover possession of the Premises from Tenant, the prevail-

ing party shall be reimbursed by the other party, in addition to all other relief, for any and all reasonable attorneys fees whether or not a legal action is filed or a judgment is obtained.

14. Time is of the Essence. Time is of the Essence with respect to all the terms and conditions of this Lease
15. Personal Credit Profile. Tenant agrees to cooperate with Landlord's obtaining a personal credit profile on Tenant.
16. Notice. Notice upon Tenant shall be served at the Premises. Notice upon Landlord may be served upon Catlin Property Management at 7261 Almaden Lane, Carlsbad, CA 92009.
17. Modification to this Lease. Any and all modifications to this Lease, if any, shall be in writing signed and dated by Landlord and Tenant.

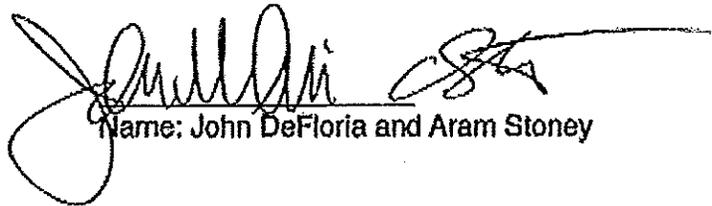
If you agree with the foregoing terms and conditions, please execute the original of this Lease and return it to Catlin Property Management no later than June 4th, 2016.

Very truly yours,



Catlin Property Management
By: Richard Catlin
Landlord

ACCEPTED AND AGREED TO THIS 3rd DAY OF June, 2016.



Name: John DeFloria and Aram Stoney

Catlin Property
Management 7373
Almaden Lane
Carlsbad, CA 92009
760-470-6315
760-470-6316

Date: November 20th, 2016

Name: Aram Stoney and John DeFloria
Company: Big Sur CannaBotanicals, LLC (BSCB) Address:
225 Crossroads Blvd. #212 Carmel, Ca 93923

Phone: 831-224-3075

Re: Commercial Lease at 26352 Carmel Rancho Lane, Suite 100, Carmel, CA

Dear Aram and John,

This letter shall constitute a commercial lease agreement ("Lease") between Big Sur CannaBotanicals, LLC ("Tenant") and Catlin Property Management ("Landlord") for the commercial use of the ground floor retail space located at 26352 Carmel Rancho Lane, Suite 110, Carmel, California 93923, ("Premises") consisting of approximately 2,200 square feet, owned by Landlord.

1. **Premises.** The Premises includes the first-floor space within the building located at 26352 Carmel Rancho Lane, Suite 110, Carmel (the "Building"). In addition to the Premises, Tenant shall have the non-exclusive right to access and use the restrooms, hallways, parking areas, driveways, landscaped areas, sidewalks and the like located in, about or adjacent to the Property and owned and/or controlled by Landlord (the "Common Area").
2. **Use.** Tenant may use the Premises for such purposes as are customary and usual in connection with the foregoing general use of a medical marijuana dispensary, delivery and retail sales of medical marijuana (Cannabis) products in accordance with guidelines set forth by the County of Monterey ("Use"). In the event that commercial recreational marijuana dispensing and retail sales becomes permitted by the County of Monterey such use shall be permitted by Landlord.
3. **Lease term.** The Term of the Lease shall be one FIVE (5) year term and shall commence on December 1, 2016 (the "Commencement Date"). Tenant shall have two (2) additional and consecutive renewal terms of five (5) years each.
4. **Rent.** During the Term of the Lease, Tenant shall pay to Landlord in advance on or before the first (1st) day of each month Eight Thousand and Eight Hundred Dollars (\$8,800.00) (the "Monthly Rent"). The Monthly Rent shall increase 3% per annum beginning year three of the lease (Dec. 1, 2019).

Big Sur Cannabotanicals Inc.
Commercial Lease Agreement
December 2016

- a. **Late Charge and Interest on Rent in Default.** Tenant acknowledges that the late payment by Tenant of any monthly installment of Monthly Rent will cause Landlord to incur certain costs and expenses not contemplated under this Lease, the exact amount of which are extremely difficult or impractical to fix. Therefore, if any such Monthly Rent is not received by Landlord within three (3) days after the date payment is due, Tenant immediately shall pay to Landlord a late charge equal to five percent (5%) of such delinquent Rent. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for their loss suffered by Tenant's failure to make timely payment. If Monthly Rent is not paid within the three (3) day grace period, Tenant shall pay to Landlord, in addition to any late charge, interest on the delinquent amount at ten percent (10%) per annum from the due date until paid.
5. **Security Deposit.** Upon execution of this Lease, Tenant shall deposit with Landlord the amount of Eight thousand and Eight Hundred Dollars (\$8,800.00) as security for Tenant's performance of Tenant's obligations as set forth in this Lease.
6. **Landlord's Warranty.** Landlord hereby represents and warrants that, at the Commencement Date, the Premises shall be in full compliance with all applicable laws, regulations, and covenants, conditions and restrictions concerning the Premises (collectively "Legal Requirements").
7. **Indemnification of Landlord.** Tenant hereby indemnifies and holds Landlord harmless from any loss, costs, expenses, or liability, including attorneys' fees and court costs of whatever nature or kind surrounding the Use of the Premises.
8. **Signage.** Tenant may install in and above the premises with logo, lettering and colors selected by the tenant with approval from the Landlord in accordance to the Carmel Rancho Merchants Assoc. (CRMA) signage criteria. Landlord understands that having a green cross (universal symbol for a pharmacy) is necessary and critical to this use and will allow a green cross as long as it fits into the CRMA signage criteria. All signs shall be placed in accordance with Landlord's sign policy and criteria and the rules and regulations by the County of Monterey. Further, Tenant shall be allowed to place a sign on the monument sign(s) during the entire term of the lease and any extension there.
9. **Alterations.** Tenant may not construct or cause to be constructed in the Premises any improvements or alterations ("Alteration") unless Tenant has obtained the prior written consent of Landlord which shall not be unreasonably withheld. In the event that Tenant receives written consent by Landlord, Landlord shall be responsible for all costs and expenses associated with all ADA, fire safety systems, earthquake, seismic and handicap requirements associated with the Premises and Common Areas of the Building. Tenant shall be responsible for all costs and expenses associated with the ADA and handicap requirements within the Premises after taking occupancy of the Premises as it may relate to furniture, fixtures, equipment, and any Alterations.
10. **Maintenance and Repair.** The parties shall have the following obligations with respect to maintenance and repair of the Premises and Common Area:

- a. Tenant's Obligations. Except as provided below, Tenant, at Tenant's sole expense, shall clean, keep and maintain the Interior Premises in good condition and repair. With respect to utility facilities serving the Premises, Tenant shall be responsible for maintenance and repair of such facilities only up to the point where they join a main or other junction from which utility services are distributed by Landlord to the Premises. Tenant shall be responsible for the replacing and/or repairing of the bulbs in the light fixtures.
- b. Landlord's Obligations. Landlord, at Landlord's sole expense, shall keep and maintain the structural portions of the roof, exterior and structural walls and foundations of the Building and paving located on the Premises and/or Common Area in good condition and repair.

11. Utilities. From and after the Commencement Date, Landlord shall make available to the Premises all utilities required for Tenant's Intended use. Tenants shall pay all charges for gas, electricity, telephone, waste-pick up and all other utilities supplied to the premises.

12. Insurance. Tenant, at Tenant's expense, shall maintain public liability insurance including bodily injury and property damage, insuring Landlord and Tenant with combined single limit coverage of not less than the amount of Two-Million Dollars (\$2,000,000.00). Tenant shall provide Landlord with a Certificate of Insurance showing Landlord Insured. The Certificate shall provide for a ten-day written notice to Landlord in the event of cancellation or material change of coverage. To the maximum extent permitted by insurance policies which may be owned by Landlord or Tenant, for the benefit of each other, Landlord and Tenant waive any and all rights of subrogation which might otherwise exist.

13. Assignment and Subletting. Tenant shall not assign this lease or sublet any portion of the premises to anyone other than the non-profit, Big Sur Canna-Botanicals, Inc.

14. No Smoking Policy. Tenant acknowledges and agrees to abide by Landlord's no smoking policy in effect for the entire Building including Tenant's Premises. This includes medicinal and recreational Cannabis and vapor pens within the entire Carmel Rancho Merchant Association including all parking areas located within.

15. Attorney's Fees. In the event that Landlord or Tenant is required to employ an attorney to enforce the terms and conditions of this Lease, or Landlord is required to employ an attorney to recover possession of the Premises from Tenant, the prevailing party shall be reimbursed by the other party, in addition to all other relief, for any and all reasonable attorneys fees whether or not a legal action is filed or a judgment is obtained.

16. Time Is of the Essence. Time is of the Essence with respect to all the terms and conditions of this Lease.

17. Personal Credit Profile. Tenant agrees to cooperate with Landlord's obtaining a personal credit profile on Tenant.

18. Notice. Notice upon Tenant shall be served at the Premises. Notice upon Landlord may be served upon Collin Property Management at 7373 Almaden Lane, Carlsbad, CA 92009.

19. Modification to this Lease. Any and all modifications to this Lease, if any, shall be in writing signed and dated by Landlord and Tenant.

20. Nuisance Clause. If tenant's business is found to be causing a reasonable nuisance that disturbs other tenants in the building or impedes on Landlord leasing vacant space or impedes Landlord from selling the building, with adequate notice BSCB will have 60 days to try to remedy nuisance, otherwise Landlord will give tenant sixty additional days (60) to relocate. Tenant acknowledges that this is at Landlord's discretion and no proof is required.

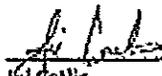
21. Hours Of Operation. Tenant may be open for business between 9am and 7pm. Landlord may consider extending hours on a trial basis.

22. Security. Tenant at tenants sole cost shall employ a full-time security guard during all hours of operation per County and State regulations.

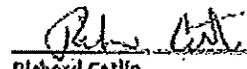
23. Lease Termination. The Parties agree and acknowledge that the Tenant may terminate the Lease immediately, without recourse, in the event that the Tenant is unable to acquire the necessary permits from the County or applicable local government to conduct the intended Use of dispensing medical/recreational marijuana on the premises.

If you agree with the foregoing terms and conditions, please execute the original of this Lease and return it to Collin Property Management.

Very truly yours,



Jobi Collin
Property Manager
Collin Property Management

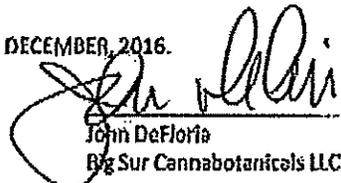


Richard Collin
Landlord

ACCEPTED AND AGREED TO ON THIS 6 DAY OF DECEMBER, 2016.



Aram Stoney
Bis Sur Cannabotanicals LLC



John DeFloris
Bis Sur Cannabotanicals LLC

20

20. NAME AND ADDRESS OF ALL PERSONS AND ENTITIES RESPONSIBLE FOR THE OPERATION

Attached please find the names and addresses of all persons responsible for the operation.

3714035

FILED *ewg/cc*
Secretary of State
State of California

SEP 23 2014

ARTICLES OF INCORPORATION
OF
BIG SUR CANNABOTANICALS, INC. *1cc*

ARTICLE I

NAME. The name of the corporation is Big Sur Cannabotanicals, Inc.

ARTICLE II

PURPOSE. This corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity other than credit union business, for which a Corporation may be organized under such law.

The specific purpose of this corporation is limited to providing a means for facilitating and coordinating transactions among qualified patients and primary caregiver members to ensure that seriously ill Californians have the right to obtain and use marijuana for medical purposes where the medical use is deemed appropriate and has been recommended by a licensed California physician, pursuant to California *Health & Safety Code* §11362.5 and 11362.7 *et seq.*

Notwithstanding any of the above statements of purposes and powers, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in the furtherance of the specific purposes of this Corporation.

ARTICLE III

BOARD OF DIRECTORS. The affairs of the Corporation shall be managed by a Board of Directors. The number of directors shall be set by the Bylaws of the Corporation. The directors shall serve for such terms that are established in the Bylaws.

ARTICLE IV

INDEMNIFICATION OF OFFICERS AND DIRECTORS. The Corporation may, as appropriate, indemnify its officers, directors, employees or agents, including former officers, directors, employees or agents, to the full extent permitted by law.

ARTICLE V

INITIAL AGENT. The name and address in this state of this corporation's initial agent for service of process are as follows: John DeFloria, 225 Crossroads Blvd. #508, Carmel, CA 93923.

3714035

ARTICLE VI

DIRECTORS MAY ADOPT, AMEND OR REPEAL BY-LAWS. Except as provided by law, the board of directors is expressly authorized to adopt, amend or repeal the Bylaws of this corporation.

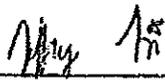
ARTICLE VII

CORPORATE ADDRESS. The address of this Corporation is: 225 Crossroads Blvd. #508, Carmel, CA 93923.

ARTICLE VIII

SOLE INCORPORATOR. The name of the sole incorporator of this corporation is Jeffrey Lind.

IN WITNESS WHEREOF, the undersigned being the sole incorporator hereinbefore named, has executed, signed, and acknowledged these Articles of Incorporation this day, September 19, 2014.



Jeffrey Lind, Incorporator



I hereby certify that the foregoing
transcript of 1 page(s)
is a full, true and correct copy of the
original record in the custody of the
California Secretary of State's office.

OCT 21 2014

DCX

Date: _____

Debra Bowen
DEBRA BOWEN, Secretary of State

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