

**COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PLANNING AND BUILDING
STAFF REPORT**



Promoting the wise use of land
Helping build great communities

Planning Commission

MEETING DATE July 9, 2015 EFFECTIVE DATE July 23, 2015	CONTACT/PHONE Airlin M. Singewald (805) 781-5198 asingewald@co.slo.ca.us	APPLICANT Ethnobotanica	FILE NO. DRC2014-00070
SUBJECT Hearing to consider a request by ETHNOBOTANICA for a Minor Use Permit to establish a medical marijuana dispensary and construct related tenant improvements in an existing 2,636 square-foot commercial/office suite, which is part of an existing 11,675 square-foot building. The 2.72-acre parcel is in the Commercial Service land use category and is located at 2122 Hutton Road, approximately 450 feet north of the Highway 101/Highway 166 off-ramp, approximately 3 miles south of the community of Nipomo. The site is in the South County planning area.			
RECOMMENDED ACTION Approve Minor Use Permit DRC2014-00070 based on the findings listed in Exhibit A and the conditions listed in Exhibit B.			
ENVIRONMENTAL DETERMINATION A Class 3 categorical exemption was issued on June 2, 2015 (ED14-252).			
LAND USE CATEGORY Commercial Service	COMBINING DESIGNATION None	ASSESSOR PARCEL NUMBER 090-301-064	SUPERVISOR DISTRICT(S) 4
PLANNING AREA STANDARDS: Limitation on Use for Commercial Service (CS) Land Use Category Does the project meet applicable Planning Area Standards: Yes – see discussion			
LAND USE ORDINANCE STANDARDS: Medical Marijuana Dispensaries Does the project conform to the Land Use Ordinance Standards: Yes – see discussion			
EXISTING USES: Metal building with tenants including a sanitation company and security contractor			
SURROUNDING LAND USE CATEGORIES AND USES: <i>North:</i> Commercial Service / vacant <i>South:</i> Commercial Service / RV storage		<i>East:</i> Agriculture / Highway 101 <i>West:</i> Residential Suburban / residence, Nipomo Creek	
OTHER AGENCY / ADVISORY GROUP INVOLVEMENT: The project was referred to: Public Works, Environmental Health, Building Division, Sheriff, Cal Fire, Santa Barbara County, City of Santa Maria, and South County Advisory Council			
TOPOGRAPHY: Gently sloping to moderately sloping		VEGETATION: Ornamental trees and turf grass	
PROPOSED SERVICES: Water supply: On-site well Sewage Disposal: Individual septic Fire Protection: Cal Fire		ACCEPTANCE DATE: March 7, 2015	
ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE DEPARTMENT OF PLANNING & BUILDING AT: COUNTY GOVERNMENT CENTER γ SAN LUIS OBISPO γ CALIFORNIA 93408 γ (805) 781-5600 γ FAX: (805) 781-1242			

DISCUSSION

The proposed project is a request to establish a medical marijuana dispensary in an existing commercial building. According to Land Use Ordinance Section 22.30.225, minor use permit approval is required to establish a medical marijuana dispensary. Minor use permits are normally reviewed by a Planning Department Hearing Officer; however, the Planning Director may elevate minor use permits to the Planning Commission for projects that may generate substantial public controversy or involve significant land use policy decisions. The Planning Director has elevated this project to the Planning Commission based on the controversial nature of medical marijuana and concerns raised by the community, the South County Advisory Council, and the Sheriff's Department.

Background

In 1996, California voters approved Proposition 215, the Compassionate Use Act (CUA) exempting certain patients and their primary caregivers from criminal liability under state law for the possession and cultivation of marijuana. In 2004, Senate Bill 420 became law and enacted the Medical Marijuana Program Act (MMP). The MMP requires the California Department of Public Health to establish and maintain a program for the voluntary registration of qualified medical marijuana patients and their primary caregivers through a statewide identification card system.

On August 1, 2006 the Board of Supervisors authorized the San Luis Obispo County Public Health Department (PHD) to implement the State Medical Marijuana Identification Card (MMIC) program. The proposed fee ordinance was introduced on October 24, 2006. The Board of Supervisors adopted the fee schedule on November 14, 2006 and the program commenced on December 14, 2006.

On February 6, 2007, the Board of Supervisors adopted Ordinance Number 3114 relating to the establishment of medical marijuana dispensaries, which amended the Inland Land Use Ordinance by adding a new Section 22.30.225 to govern dispensary applications.

Past proposals are summarized below:

- **Connella Minor Use Permit DRC2006-00159.** This project was proposed on Ramada Drive in Templeton and requested a waiver of the ordinance requirement for 1,000 feet of separation between the dispensary and a playground. The dispensary was located between 925 and 1,004 feet from the playground depending on the measurement technique and was separated from the playground by Highway 101. It was approved by the Planning Commission and denied on appeal to the Board of Supervisors on April 8, 2008.
- **Gross/Brody Minor Use Permit DRC2009-00044.** This project was proposed on North Frontage Road in Nipomo. Although the proposed dispensary met the 1,000 foot separation requirement for the uses described in the ordinance (schools, libraries, parks, playgrounds, and recreation or youth centers), it was located within 94 feet of a private gymnastics studio that primarily served children. It was denied by the Planning Commission and the denial was upheld by the Board of Supervisors on appeal on August 24, 2010.
- **Murray Minor Use Permit DRC2010-00070.** This project was proposed on South 4th Street in Oceano and requested a waiver of the ordinance requirement for 1,000 feet of separation between the dispensary and a park (the dispensary was proposed within 922 feet of Oceano Park). It was approved by the Planning Commission and denied on appeal to the Board of Supervisors on March 12, 2012.

Updated California Case Law, and State Attorney General and Federal Government Involvement

The California Supreme Court recently confirmed that local jurisdictions may regulate medical marijuana dispensaries pursuant to their inherent police powers and land use authority. (See *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.* (2013) 56 Cal.4th 729.) In its opinion, the Court concluded:

“We thus conclude that neither the CUA nor the MMP expressly or impliedly preempts the authority of California cities and counties, under their traditional land use and police powers, to allow, restrict, limit, or entirely exclude facilities that distribute medical marijuana, and to enforce such policies by nuisance actions.”

In 2008, the California Attorney General issued “Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use,” which are attached to this staff report as Attachment 9. Those Guidelines are intended, in part, to “help patients and primary caregivers understand how they may cultivate, transport, possess and use medical marijuana under California law.”

For its part, the federal government has continued to list marijuana as a Schedule 1 controlled substance under the Federal Controlled Substances Act, meaning that it is still a crime to manufacture, distribute, or possess marijuana pursuant to federal law. However, in December 2014 U.S. Congress passed a spending bill, which included a provision limiting the Justice Department’s ability to take criminal action against state-licensed individuals or operations that are acting in full compliance with the medical marijuana laws of their states. Specifically, the bill states, “None of the funds made available in this act to the Department of Justice may be used...to prevent...states...from implementing their own state laws that authorize the use, distribution, possession, or cultivation of medical marijuana.”

LAND USE ORDINANCE STANDARDS

Section 22.30.225 – General Retail

Land Use Ordinance Section 22.30.225 (attached) establishes special use standards for medical marijuana dispensaries. The project’s compliance with these standards is described below.

Location

Medical Marijuana Dispensaries shall be located outside of the CBD, a minimum of 1,000 feet from any pre-school, elementary school, high school, library, park, playground, recreation or youth center. Distance shall be measured from the building which contains the Medical Marijuana Dispensary to the property line of the enumerated use using a direct straight line measurement.

This section uses similar criteria as the California Attorney General’s August 2008 guidelines¹ which prohibit the smoking of medical marijuana within 1,000 feet of a school, recreation center, or youth center; however, it applies to the location of dispensaries (not just smoking marijuana) and adds libraries, parks, and playgrounds to the list.

Staff has measured the 1,000 foot distance requirement using GeoView, an up-to-date software application used to obtain accurate measurements of distance. This software allows staff to apply a specific radius around a property. Using this software application, staff has determined that the building where the dispensary is proposed is not located within 1,000 feet of any pre-school, elementary school, high school, library, park, playground, recreation or youth center. The nearest sensitive use is Preisker

¹ See Attachment 9 to this staff report, page 6; B. Enforcement Guidelines (1.) Location of Use

Park located about 4,300 feet to the south in the City of Santa Maria. The proposed project therefore complies with the location requirement of the ordinance.

Table 1: Distance to Sensitive Uses

Sensitive Use	Address	Distance from Dispensary
Preisker Park	330 Hidden Pines Way, Santa Maria	4,300 feet to the south
Tommie Kunst Junior High School	930 Hidden Pines Way, Santa Maria	5,300 feet to the southwest
All About Kids Preschool	613 N. Elizabeth Street, Santa Maria	14,400 feet to the south
Santa Maria Public Library	421 S. McClelland Street, Santa Maria	18,000 feet to the south
Nipomo Public Library	918 W. Tefft Street, Nipomo	21,000 feet to the northwest
Boys and Girls Club	901 N. Railroad Avenue, Santa Maria	13,000 feet to the southwest

Limitation on use

The following use limitations apply to proposed medical marijuana dispensaries:

- a. *Hours of operation are limited to 11:00 a.m. to 6 p.m. seven days per week.*
- b. *No person under age of 18 shall be permitted in the dispensary at any time except in the presence of his/her parent or guardian.*
- c. *No retail sales of paraphernalia as defined in Health and Safety Code section 11364.5 are permitted at the dispensary.*
- d. *No cultivation of medical marijuana is permitted at the dispensary or on dispensary property.*

The proposed project complies with these use limitations.

Employees

All staff/employees employed by the Medical Marijuana Dispensary must be 21 years of age or older.

The applicant's proposal meets this requirement.

Security Plan

A security plan shall be submitted with the Minor Use Permit Application that includes lighting, security video cameras, alarm systems, and secure area for medical marijuana storage. The security plan shall include a requirement that there be at least 30 business days of surveillance video (that captures both inside and outside images) stored on an ongoing basis. The video system for the security cameras must be located in a locked, tamper-proof compartment.

In addition to this ordinance standard, the Attorney General's guidelines also require that, "Collectives and cooperatives should provide adequate security to ensure that patients are safe and that the surrounding homes or businesses are not negatively impacted by nuisance activity such as loitering or crime."

The applicant has provided a detailed operations plan, floor plan, and security plan (see Attachment 6), which meet the criteria of the ordinance. The security plan includes indoor/outdoor video surveillance and alarm system by Sentinel Security and an onsite guard by Bomar Security for 10 hours per day, 7 days per week. Security will assist in opening and closing of the facility, including escorting employees

to their vehicles after closing. Security will also be responsible for verifying that each person entering the facility is a medical marijuana patient, caregiver, employee, or other allowed person.

The proposed project was referred to the Sheriff’s Office for review and comment. In a response, dated January 20, 2014, Chief Deputy Rob Reid stated “Based on a historical need for increased measures at locations involving medical marijuana dispensaries to protect against burglary and/or robbery, we anticipate an increased workload due to calls for service and reported crimes if this project is approved.” This response concludes that the Sheriff’s Office has limited resources and may not be able to meet the need for increased patrol efforts that could result from the project.

The purpose of the security plan is to minimize demands on law enforcement resources. Also, staff is unaware of any studies that draw a connection between medical marijuana dispensaries and increased crime activity. In 2010, staff contacted Danny Kato, Senior Planner for the City of Santa Barbara, who is responsible for administering that jurisdiction’s medical marijuana ordinance. At that time, Mr. Kato confirmed the absence of criminal activity for one of Santa Barbara’s legally established dispensaries. When staff recently contacted Mr. Kato for an update on crime activity associated medical marijuana dispensaries, he indicated that no new information is available because the City just approved (on June 4, 2015) the first dispensary since they all closed several years ago.

Displayed notice

Each dispensary, inside of the dispensary itself, shall display in a manner legible and visible to its clientele:

- a. *Notice that persons under the age of 18 are not allowed in the dispensary except in the presence of his/her parent or guardian;*
- b. *Notice that there is no consumption of medical marijuana in the vicinity of the dispensary.*

The proposed project is conditioned to comply with this requirement.

Sheriff notification

A condition to establishment of a Medical Marijuana Dispensary shall be notification to the Sheriff’s Department informing it of the name, location, and contact information for the owner/operator of the dispensary.

The proposed project is conditioned to comply with this requirement.

Section 22.18.050 – Required Number of Parking Spaces

The parking requirement for retail uses is 1 space for every 300 square feet of sales area plus 1 space per 600 square feet of storage area. Based on the site plan and space usage of the tenant space, approximately 50 percent of the 2,136 square-foot space is dedicated to sales uses with the remainder dedicated to storage or non-sales areas. Based on these use areas and the corresponding parking requirements, the project is required to provide six on-site parking spaces. With 11 dedicated on-site parking spaces, the project meets this requirement.

Use Area	Square Footage	Requirement	Spaces Required
Sales Area	1,068	1 space / 300 SF	4
Storage Area	1,068	1 space / 600 SF	2
Total Area	2,136		6

PLANNING AREA STANDARDS

Section 22.98.072(C)(1) – Commercial Service (CS) Land Use Category Limitation on Use

This standard prohibits certain allowable CS uses (e.g. agricultural processing, broadcasting studios, etc.) in the South County planning area. The list of prohibited uses does not include Medical Marijuana Dispensaries or General Retail establishments. Therefore, dispensaries are allowable on the project site per Section 22.30.030.

COMMUNITY ADVISORY GROUP COMMENTS

The proposed project was reviewed by the South County Advisory Council (SCAC) on February 23, 2015. On an 8-2 vote, SCAC recommended denial of the proposed dispensary based on public safety concerns due to "...very limited availability of Sheriff's deputies deployed in the South County, and potential crime problems associated with medical marijuana dispensaries."

AGENCY REVIEW

County Sheriff	In a response, dated January 20, 2014, Chief Deputy Rob Reid stated "Based on a historical need for increased measures at locations involving medical marijuana dispensaries to protect against burglary and/or robbery, we anticipate an increased workload due to calls for service and reported crimes if this project approved." This response concludes that the Sheriff's Office has limited resources and may not be able to meet the need for increased patrol efforts that could result from the project.
Public Works	In a response, dated April 22, 2015, Glenn Marshall indicated that based on review of the project's traffic study (see Attachment 8), Public Works has no traffic concerns. Road improvement fees would be required. Most northerly driveway to be limited to egress only.
Cal Trans	Reviewed the traffic study and has no concerns regarding impacts to Highway 101 / Highway 166 interchange.

ATTACHMENTS

1. Exhibit A – Findings
2. Exhibit B – Conditions of Approval
3. CEQA Notice of Exemption
4. Referral Responses
5. Graphics – Vicinity map, land use category map, and floor plans
6. Ethnobotanica Security and Operations Plan
7. Applicable Land Use Ordinance Section – 22.30.225
8. Traffic Study (Orosz Engineering Group; April 13, 2015)
9. Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use (State of California Attorney General; August 2008)

Staff report prepared by Airlin M. Singewald, Senior Planner, and reviewed by Bill Robeson, Deputy Director – Permitting.

EXHIBIT A – FINDINGS
Minor Use Permit DRC2014-00070 (Ethnobotanica)

CEQA Exemption

- A. The project qualifies for a Categorical Exemption (Class Three) pursuant to CEQA Guidelines Section 15303 because the project will be located within an existing structure and only involves a change in use. In addition, the project is located in an urbanized area not in close proximity to significant fish and/or wildlife habitat.

Minor Use Permit

- B. The proposed project or use is consistent with the San Luis Obispo County General Plan because the use is an allowed use and as conditioned is consistent with all of the General Plan policies.
- C. As conditioned, the proposed project or use satisfies all applicable provisions of Title 22 of the County Code.
- D. The establishment and subsequent operation or conduct of the use will not, because of the circumstances and conditions applied in the particular case, be detrimental to the health, safety or welfare of the general public or persons residing or working in the neighborhood of the use, or be detrimental or injurious to property or improvements in the vicinity of the use because the proposed medical marijuana dispensary, as proposed and conditioned, does not generate activity that presents a potential threat to the surrounding property and buildings. This project is subject to and in compliance with Ordinance and Building Code requirements designed to address health, safety and welfare concerns, including limited hours of operation. Implementation of the project's security plan would minimize demands on law enforcement resources. The security plan includes indoor/outdoor video surveillance and alarm system by Sentinel Security and an onsite guard by Bomar Security for 10 hours per day, 7 days per week. Security will assist in opening and closing of the facility, including escorting employees to their vehicles after closing. Security will also be responsible for verifying that each person entering the facility is a medical marijuana patient, caregiver, employee, or other allowed person.
- E. The proposed project or use will not be inconsistent with the character of the immediate neighborhood or contrary to its orderly development because the medical marijuana dispensary will be located in the Commercial Service land use category in an area that contains primarily commercial uses. The medical marijuana dispensary will be also be located in an existing metal commercial building which is similar to, and will not conflict with, the surrounding lands and uses.
- F. The proposed project or use will not generate a volume of traffic beyond the safe capacity of all roads providing access to the project, either existing or to be improved with the project because the project is located on Hutton Road, an arterial road constructed to a level able to handle any additional traffic associated with the project.

**EXHIBIT B - CONDITIONS OF APPROVAL
Minor Use Permit DRC2014-00070 (Ethnobotanica)**

Approved Development

1. This approval authorizes the establishment of a Medical Marijuana Dispensary and construction of related tenant improvements in an existing 2,636 square-foot commercial/office suite.
2. The Medical Marijuana Dispensary shall comply with the following limitations on use:
 - i. Hours of operation are limited to 11 a.m. to 6 p.m. seven days per week.
 - ii. No person under age of 18 shall be permitted in the dispensary at any time except in the presence of his/her parent or guardian.
 - iii. No retail sales of paraphernalia as defined in Health and Safety Code Section 11364.5 are permitted at the dispensary.
 - iv. No cultivation of medical marijuana is permitted at the dispensary or on the dispensary property.
 - v. All staff/employees employed by the Medical Marijuana Dispensary must be 21 years of age or older.

Conditions required to be completed at the time of application for construction permits

Tenant Improvements

3. **At the time of application for construction permits**, plans submitted shall show all development consistent with the approved site plan, floor plan, architectural elevations and landscape plan.
4. **At the time of application for construction permits**, the applicant shall provide details on any proposed exterior lighting, if applicable. The details shall include the height, location, and intensity of all exterior lighting. All lighting fixtures shall be shielded so that neither the lamp or the related reflector interior surface is visible from adjacent properties. Light hoods shall be dark colored.

Fire Safety

5. **At the time of application for construction permits**, all plans submitted to the Department of Planning and Building shall meet the fire and life safety requirements of the California Fire Code. Requirements shall include, but not be limited to those outlined in the Fire Safety Plan, that shall be prepared by the CalFire for this proposed project.

Conditions to be completed prior to issuance of a construction permit

Fees

6. **Prior to issuance of a construction permit**, the applicant shall pay all applicable school and public facilities fees.
7. **Prior to issuance of construction permits**, and in accordance with Title 13.01 of the County Code the applicant shall be responsible for paying to the Department of Public Works the South County Area 1 Road Improvement Fee for six (6) PM Peak Hour Trips (OEG Traffic Letter dated 4/24/15) prior to issuance of building permits and at the amount prevailing at the time of payment.

Drainage

8. **At the time of application for construction permits**, the applicant shall submit evidence to the Department of Public Works that all new structures comply with County flood hazard

construction standards, Section 22.14.060. (The entire project site is located within a FEMA Flood Hazard Zone A designation as shown on FIRM Map Number 06079C1601F.)

Conditions to be completed prior to occupancy or final building inspection /establishment of the use

Access

9. **Prior to occupancy or final inspection/establishment of the use**, construct onsite signs and pavement markings at the most northerly driveway to identify it for site egress (exit) only. No signs or pavement markings may be placed in the public right-of-way without a valid encroachment permit.

Fire Safety

10. **Prior to occupancy or final inspection/establishment of the use**, whichever occurs first, the applicant shall obtain final inspection and approval from CalFire of all required fire/life safety measures.
11. **Prior to occupancy or final inspection/establishment of the use**, the applicant shall contact the Department of Planning and Building to have the site inspected for compliance with the conditions of this approval.
12. **Prior to occupancy or final inspection/establishment of the use**, whichever occurs first, the applicant shall notify Sheriff's Department informing it of the name, location and contact information for the owner/operator of the Dispensary. Name and phone number of Sheriff's Department contact must be provided so that notification can be confirmed.
13. **Prior to occupancy or final inspection/establishment of the use**, the applicant shall contact the Department of Planning and Building to have the site inspected for compliance with the conditions of this approval. The conditions that must be completed prior to occupancy include but are not limited to the following:

The Dispensary, inside of the Dispensary itself, shall display in a manner legible and visible to its clientele:

- a. Notice that persons under the age of 18 (eighteen) are not allowed in the Dispensary except in the presence of his/her parent or guardian; and
- b. Notice that there is no consumption of medical marijuana in the vicinity of the Dispensary.

On-going conditions of approval (valid for the life of the project)

14. **On-going condition of approval (valid for the life of the project)**, and in accordance with County Code Section 13.08, no activities associated with this permit shall be allowed to occur within the public right-of-way including, but not limited to, project signage; tree planting; fences; etc. without a valid Encroachment Permit issued by the Department of Public Works.
15. **On-going condition of approval (valid for the life of the project)**, the property owner shall be responsible for operation and maintenance of public road frontage landscaping and irrigation systems in a viable condition and on a continuing basis into perpetuity.
16. This land use permit is valid for a period of 24 months from its effective date unless time extensions are granted pursuant to Land Use Ordinance Section 22.64.070 or the land use permit is considered vested. This land use permit is considered to be vested once a construction permit has been issued and substantial site work has been completed. Substantial

ATTACHMENT 4

site work is defined by Land Use Ordinance Section 22.64.080 as site work progressed beyond grading and completion of structural foundations; and construction is occurring above grade.

17. All conditions of this approval shall be strictly adhered to, within the time frames specified, and in an on-going manner for the life of the project. Failure to comply with these conditions of approval may result in an immediate enforcement action by the Department of Planning and Building. If it is determined that violation(s) of these conditions of approval have occurred, or are occurring, this approval may be revoked pursuant to Section 22.74.160 of the Land Use Ordinance.



NOTICE OF EXEMPTION

SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING
976 OSOS STREET • ROOM 200 • SAN LUIS OBISPO • CALIFORNIA 93408 • (805)781-5600

Project Title and No.: Ethnobotanica MUP; DRC2014-00070, ED14-252

Project Location(Specific address): 2122 Hutton Road, Nipomo, CA	Project Applicant & Phone No.: Ethnobotanica /831-706-5975
Project Location(County): San Luis Obispo	Applicant Address (specific): 1961 Main Street, Watsonville, CA 95076

Description of Nature, Purpose and Beneficiaries of Project

A request by Ethnobotanica for a Minor Use Permit to establish a medical marijuana dispensary and construct related tenant improvements in an existing 2,636 square-foot commercial/office suite, which is part of an existing 11,675 square-foot building.

Name of Public Agency Approving Project: County of San Luis Obispo

Exempt Status: (Check One)

- Ministerial {Sec. 21080(b)(1); 15268}
- Declared Emergency {Sec. 21080(b)(3); 15269(a)}
- Emergency Project {Sec. 21080(b)(4); 15269(b)(c)}
- Categorical Exemption. {Sec. 15303 ; Class: 3 }
- Statutory Exemption {Sec. ____}

Reasons why project is exempt: The proposed project would convert an existing structure from one use to another use with only minor modifications proposed to the structure.

Airlin Singewald (805)781-5600

Lead Agency Contact Person Telephone

If filed by applicant:

1. Attach certified document of exemption finding

2. Has a notice of exemption been filed by the public agency approving the project?
Yes No

Signature Date 6/18/15

Name (Print) Airlin Singewald Title Senior Planner



DEPARTMENT OF PLANNING AND BUILDING

THIS IS A NEW PROJECT REFERRAL

DATE: 1/7/2014

TO: San Luis Obispo County Sheriff's Office

FROM: Airin Singewald (805-781-5198 or asingewald@co.slo.ca.us)
South County Team / Development Review

PROJECT DESCRIPTION: DRC2014-00070 ETHNOBOTANICA – Proposed minor use permit for a medical marijuana dispensary. Site location is 2122 Hutton Rd, Nipomo. APN: 090-301-064

Return this letter with your comments attached no later than: 14 days from receipt of this referral. CACs please respond within 60 days. Thank you.

PART 1 - IS THE ATTACHED INFORMATION ADEQUATE TO COMPLETE YOUR REVIEW?

- YES (Please go on to PART II.)
- NO (Call me ASAP to discuss what else you need. We have only 10 days in which we must obtain comments from outside agencies.)

PART II - ARE THERE SIGNIFICANT CONCERNS, PROBLEMS OR IMPACTS IN YOUR AREA OF REVIEW?

- YES (Please describe impacts, along with recommended mitigation measures to reduce the impacts to less-than-significant levels, and attach to this letter)
- NO (Please go on to PART III)

PART III - INDICATE YOUR RECOMMENDATION FOR FINAL ACTION.

Please attach any conditions of approval you recommend to be incorporated into the project's approval, or state reasons for recommending denial.

IF YOU HAVE "NO COMMENT," PLEASE SO INDICATE, OR CALL.

1-20-2015
Date

Chief Deputy Rob Reid
Name

781-4540
Phone

San Luis Obispo County Sheriff's Office

1585 Kansas Avenue • San Luis Obispo • California • 93405
www.slosheriff.org



Ian S. Parkinson
Sheriff - Coroner

DATE: 1/20/2014

TO: Airlin Singewald (805-781-5198 or asingewald@co.slo.ca.us)
Department of Planning and Building
San Luis Obispo County
South County Team/ Development Review

RE: Part II – Significant Concerns for Project Referral

PROJECT DESCRIPTION: DRC2014-00070 ETHNOBOTANICA Proposed MUP for a Medical Marijuana Dispensary. Site location is 2122 Hutton Rd., Nipomo
APN: 090-301-064

PATROL REGION: South

COMMUNITY: Nipomo

Law enforcement needs for the unincorporated areas of San Luis Obispo County are served by the Sheriff's Office. San Luis Obispo County encompasses 3,250 square miles of which sixty-six miles are incorporated (City) and served by police departments.

The South Patrol Station (responsible for the proposed project site) is located at 1681 Front Street, Oceano. The South Station serves the communities of Oceano, Nipomo, Huasna, rural Arroyo Grande, New Cuyama, and Lopez Lake. South Station deputies work in a demanding environment and handle a high volume of calls.

Based on a historical need for increased security measures at locations involving medical marijuana dispensaries to protect against burglary and/or robbery, we anticipate an increased workload due to calls for service and reported crimes if this project is approved. This project is in close proximity to Santa Barbara County and the City of Santa Maria, which is likely to increase the customer volume above what is stated in the application. The Sheriff's Office has limited resources and may not be able to meet the need for increased patrol efforts.

Sincerely,


Rob Reid, Chief Deputy
San Luis Obispo County Sheriff's Office
805-781-4540



ATTACHMENT 4
Attachment 4
SAN LUIS OBISPO COUNTY
DEPARTMENT OF PUBLIC WORKS

Wade Horton, Director

County Government Center, Room 207 • San Luis Obispo CA 93408 • (805) 781-5252
Fax (805) 781-1229 email address: pwd@co.slo.ca.us

MEMORANDUM

Date: April 22, 2015
To: Airlin Singewald, Project Planner
From: Glenn Marshall, Development Services Engineer
Subject: **Public Works Comments on DRC2014-00070, Ethnobotanica MUP, 2122 Hutton Rd, Nipomo, APN 090-301-064**

Thank you for the opportunity to provide information on the proposed subject project. It has been reviewed by several divisions of Public Works, and this represents our consolidated response.

Public Works Comments:

- A. We have reviewed the OEG, Inc. traffic engineer's letter dated 4/13/15 and are attaching our comments. Although we have no concerns with the project impacts to county roads we recommend the county planner solicit comments from Caltrans for their facilities, especially US 101 at SR 166.
- B. The proposed project is within the South County Area 1 Road Fee Area. Payment of Road Improvement Fees is required prior to building permit issuance.
- C. The most northerly driveway is not served by a Hutton Road center left turn lane. As an option to constructing Hutton Road widening improvements we recommend that the driveway be limited to site egress (exit) only.
- D. The project is located in a 100-year flood plain. Building permits will be subject to compliance with 22.14.060 – Flood Hazard Area
- E. The project appears to not meet the applicability criteria for a Stormwater Management (it creates or replaces less than 2500 sf of impervious area). Therefore no Stormwater Control Plan is required.

Recommended Project Conditions of Approval:

Access

1. **Prior to occupancy or final inspection**, construct onsite signs and pavement markings at the most northerly driveway to identify it for site egress (exit) only. No signs or pavement markings may be placed in the public right-of-way without a valid encroachment permit.

Page 3 of 4

ATTACHMENT 4

Attachment 4

2. **On-going condition of approval (valid for the life of the project)**, and in accordance with County Code Section 13.08, no activities associated with this permit shall be allowed to occur within the public right-of-way including, but not limited to, project signage; tree planting; fences; etc without a valid Encroachment Permit issued by the Department of Public Works.
3. **On-going condition of approval (valid for the life of the project)**, the property owner shall be responsible for operation and maintenance of public road frontage landscaping and irrigation systems in a viable condition and on a continuing basis into perpetuity.

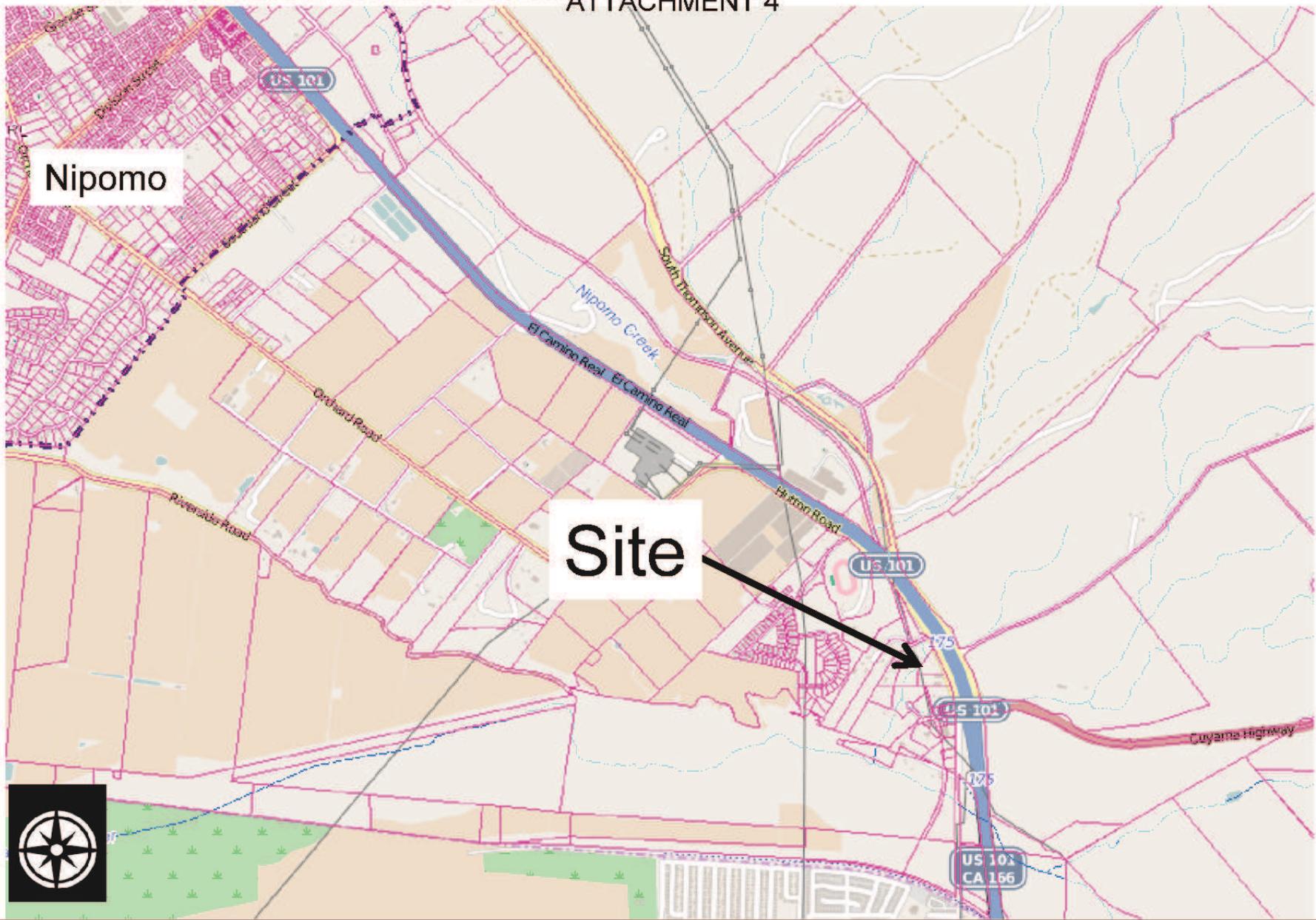
Fees

4. **Prior to issuance of construction permits**, and in accordance with Title 13.01 of the County Code the applicant shall be responsible for paying to the Department of Public Works the South County Area 1 Road Improvement Fee prior to issuance of building permits and in the amount prevailing at the time of payment.

Drainage

5. **At the time of application for construction permits**, the applicant shall submit evidence to the Department of Public Works that all new structures comply with County flood hazard construction standards, Section 22.14.060. (The entire project site is located within a FEMA Flood Hazard Zone A designation as shown on FIRM Map Number 06079C1601F.)

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Nipomo

Site



PROJECT

Ethnobotanica
Minor Use Permit DRC2014-00070



EXHIBIT

Vicinity Map



PROJECT
Ethnobotanica
Minor Use Permit DRC2014-00070

EXHIBIT
Land Use Category Map



Map data © 2014 Google, Imagery © 2014 DigitalGlobe, USDA Farm Service Agency



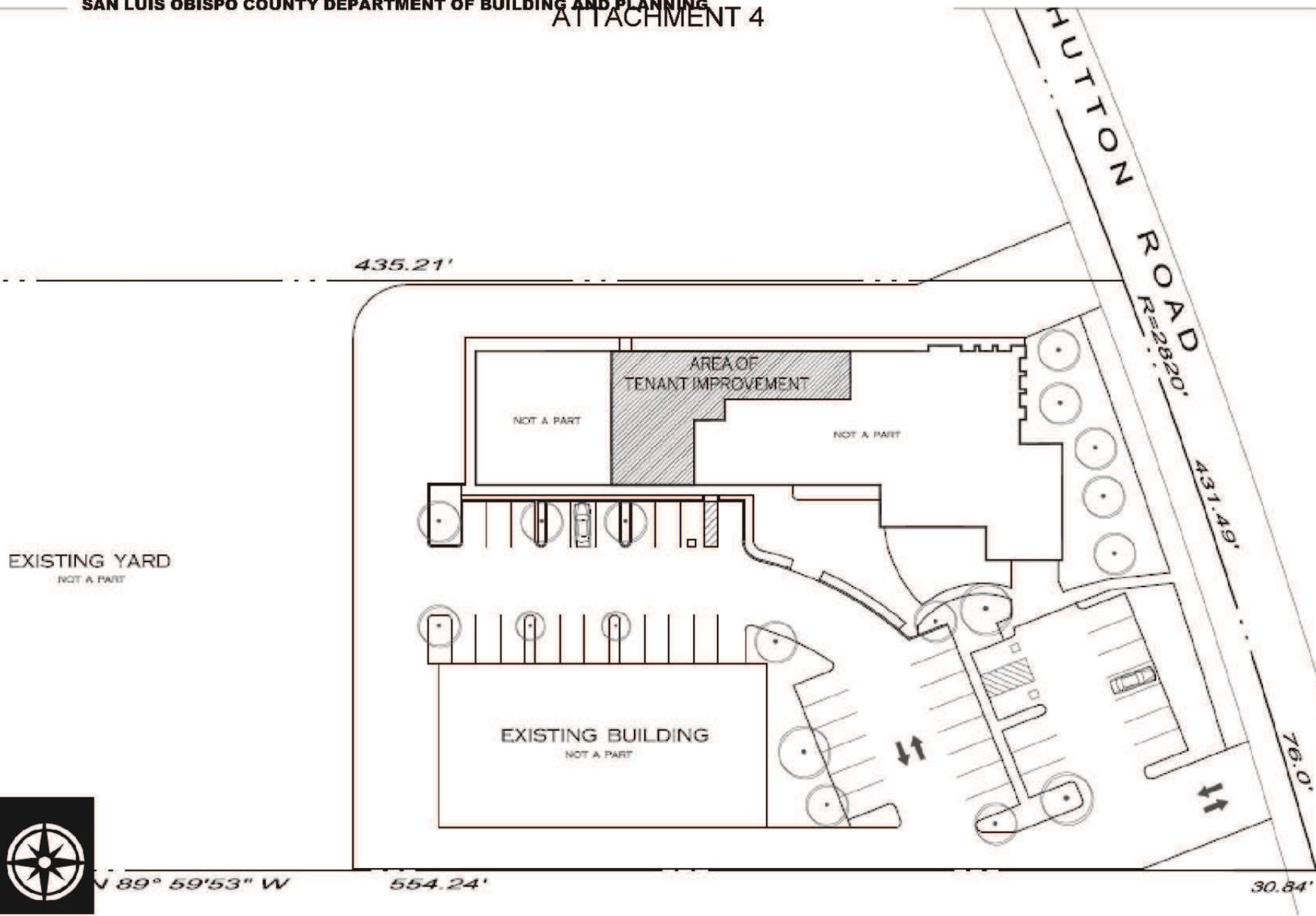
PROJECT

Ethnobotanica
Minor Use Permit DRC2014-00070



EXHIBIT

Aerial Map



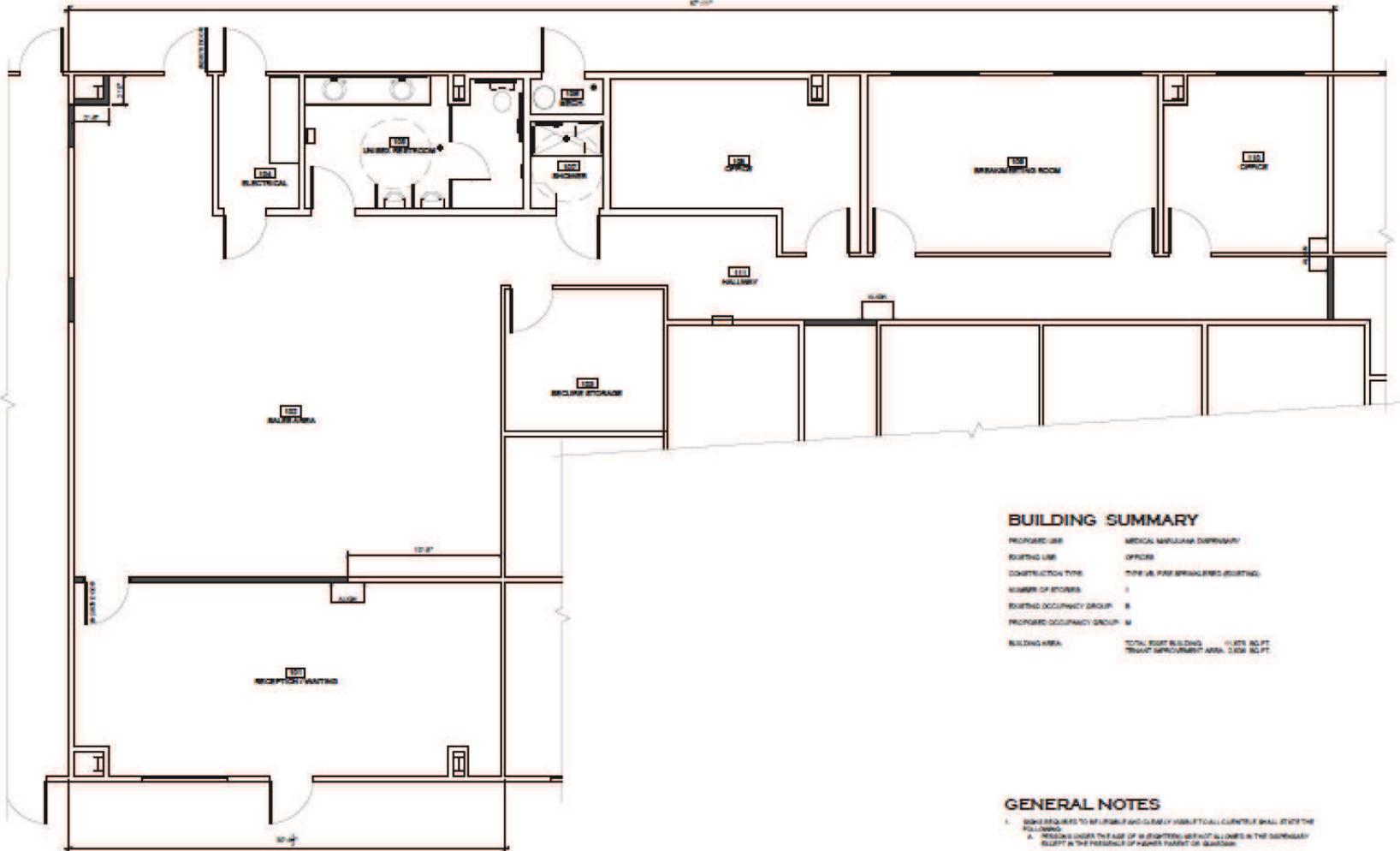
PROJECT

Ethnobotanica
Minor Use Permit DRC2014-00070



EXHIBIT

Site Plan



BUILDING SUMMARY

PROPOSED USE:	MEDICAL MARIJUANA DISPENSARY
EXISTING USE:	OFFICE
CONSTRUCTION TYPE:	TYPICAL SINGLE-STORY BRICK BUILDING
NUMBER OF STORIES:	1
EXISTING OCCUPANCY GROUP:	B
PROPOSED OCCUPANCY GROUP:	M
BUILDING AREA:	TOTAL EXIST. BUILDING: 11,875 SQ. FT. TYPICAL MEDICAL MARIJUANA AREA: 1,500 SQ. FT.

GENERAL NOTES

1. OWNER REQUIRED TO BE USABLE AND CLEARLY VISIBLE TO ALL CLIENTS SHALL STUDY THE FOLLOWING:
 - A. PROVIDE LIGHT THE AGE OF AN EXISTING USE NOT ALLOWED IN THE DISPENSARY SUBJECT TO THE PRESENCE OF PAPER PATENT OR SIGNAGE.
 - B. NO CONSIDERATION OF MEDICAL MARIJUANA IS ALLOWED IN THE VICINITY OF THE DISPENSARY.



FLOOR PLAN



PROJECT
Minor Use Permit
Ethnobotanica/ DRC2014-00070

EXHIBIT
Floor Plan

**Application for Minor Use Permit
of Medical Cannabis Dispensary**

for

Ethnobotanica

at

**2122 Hutton Rd
Nipomo, California**

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Definitions Unique to the Cannabis Industry

Guest/Public – Any person who does not represent themselves as a Patient to Ethnobotanica.

Patient – Any California citizen who has a written recommendation to use medical Cannabis from a physician with a license in good standing from the California Medical Board or the Osteopathic Medical Board of California.

Member – Any Patient who has agreed to the terms of, and signed, the Ethnobotanica Membership Agreement.

Section 1: Physical Elements

Location

Proposed dispensary is located in 2122 Hutton Rd, Nipomo, CA also known as APN 090-301-056, "Building A". The proposed dispensary would be inside the west side of "Building A".

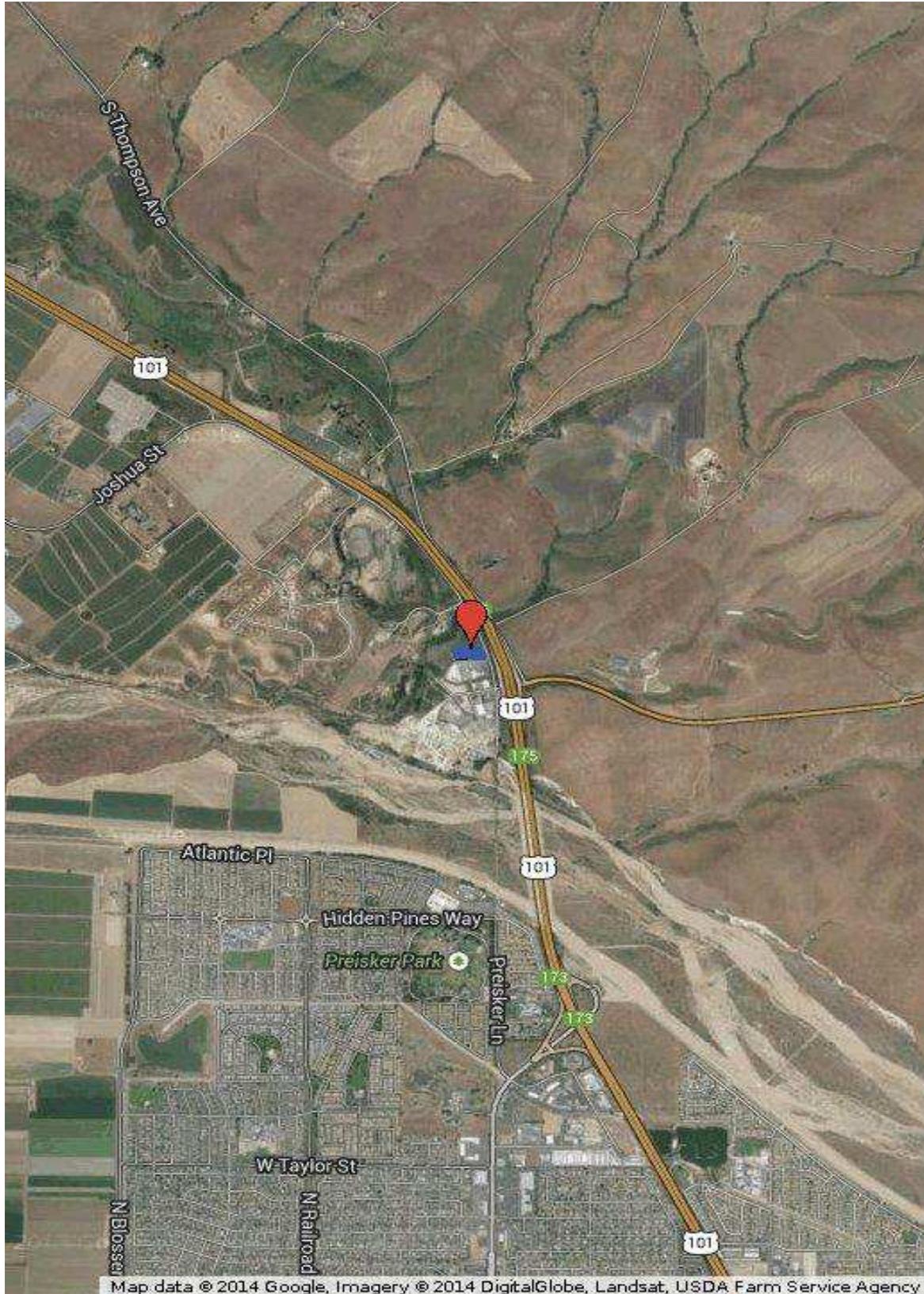
2122 Hutton Rd is in a small commercial service business district at the junction of Highway 101 and Highway 166, near the border of Santa Barbara County. The proposed property is on the North end of the business district, with open space to the North and West, and Hutton Rd and Highway 101 to the East. Businesses in the same building include offices of a sanitation contractor and a security contractor. Businesses in the area include a warehousing company, RV dealership, a pest control operator, an aggregate supplier, and few restaurants.

The proposed dispensary is outside any central business district, lending itself well to a dispensary within a county that still has concerns regarding medical Cannabis. Research of the area has found no potential conflict with the existing ordinance regarding medical Cannabis. Additionally, no business has been found in the business district which is generally frequented by children, which has been a concern with past applications for dispensaries in the county.

Hours of Operation

Ethnobotanica shall be open between the hours of 11 am and 6 pm.

Map of Vicinity



Aerial View of Property and Unit



Outdoor Lighting

The entirety of the site, including all walkways and parking lots, are well lit from dusk to dawn. High Pressure Sodium lights are placed on the perimeter of building every 30 ft. and/or above every entrance, whichever is less. Perimeter of property and parking lot has high overhead lighting at most every 60 ft.

Guards

Ethnobotanica will hire a professional and experienced security firm to manage access to the facility during all hours employees and members are on the dispensary site. Security will assist in opening and closing of the facility, including escorting employees to their vehicles after closing. Security will also be responsible for verifying that each person entering the facility is either 1) a medical marijuana patient or their caregiver 2) an employee or 3) a person verified on a visitors list or other allowed person.

Perimeter Security

Perimeter of property on sides and rear is fenced with standard chain link fence and barbed wire as an access deterrent and to slow access in or out of the process in the case of a security breach.

Ethnobotanica will hire private patrol to monitor the perimeter of the building and property between the hours of 7pm and 10 am, when no employees or staffed security will be at the facility. The private patrol will be operated by the same company used to monitor the alarm system. The private patrol will also reduce response time in the case of a security incident.

Physical Access for Staff, Members, and Others

Patients/Members: Members and patients will use main front entry. This is the most public and visible entrance to deter criminal activity. Patients will be greeted by unarmed security guard to check ID and do an initial inspection of medical Cannabis documents.

Employees: Employees will use the same front access to enter the facility. Again, this is the most public and visible entrance. However, until 11 am the front door to the facility and dispensary floor shall remain locked and entry granted only to

individual employees and pre-approved visitors/guests by security guard managed electric-strike locks.

Non-patient public access: There shall be no entry to the dispensary floor granted to the general public. Various individuals or groups may wish to tour the facility from time to time for various reasons. We will keep informational brochures on hand and designate a person to act as our on-duty community liaison to speak with those individuals in the office waiting room. To address community leaders, we will host occasional tours of our facility so that the community may better understand medical Cannabis and how the dispensary operates.

Design Aspects to Reduce Security Risks

Every business has security threats. Giving consideration to crime prevention practices, both in and around our business, ensures staff and customer security. As laid out in this plan, Ethnobotanica will give employees significant training to help deter and prevent security threats. The following design aspects within the unit will aid in identifying, preventing, and dealing with security risks:

- Low shelving and furniture will assure visibility without obstruction.
- Safe with a time lock to store cash and high value products
- Product placement so that members do not have access to Cannabis products before purchase
- Cash registers monitored by cameras to identify theft and employee diversion
- Secure refuge area for employees in the case of a violent incident
- Clear sight lines so that all areas of the dispensary are visible by employees
- Visible security cameras deter individuals while recording suspicious activity and/or incidents
- Easily accessible panic buttons for employees to use in the case of an incident
- Alarm on emergency exits
- Signage advertising controls such as “security cameras in use” and “cash in time lock safe” and place emergency (police) contact information in easily identifiable locations.

Section 2: Electronic Security Systems

Overview

To Ethnobotanica, security is the highest priority as we develop and operate the facility and business. All electronic systems will be developed, and built upon, with input from various professionals as the process moves forward. The proposed elements will not only deter any internal or external theft, but expediently advise our security patrol of any potential burglary attempts and work to ensure any potential burglars can be brought to justice following a robbery or internal theft attempt.

Ethnobotanica has consulted with a third party security firm for the basic development of the various aspects of this system. This security plan includes a complete package of CCTV audio and video surveillance, motion sensitive burglar alarms, door and window contact alarms, and monitored entry system. This plan will ensure Ethnobotanica's medical Cannabis is not diverted to non-medical markets by means of internal or external theft. All systems will incorporate redundancy in the case of power outages, cord cutting, or any other external influence which would normally cause systems to be inoperable. These include battery backups for internet servers and security systems, and multiple data storage routes.

Third Party Monitoring

This system will be monitored 24 hours a day by a third party security firm. This firm will respond to any alarm activations or attempted entry by automatically reviewing security cameras to check for false alarms and immediately report any suspicious activity to law enforcement. False alarm notifications to law enforcement are eliminated by the ability to confirm or deny alarm triggers based on visual inspection of surveillance video. The third party monitoring will also have an additional backup of all data pertaining to the security system, including all employee entry and exit data, alarm triggers, and reliability of devices.

Access Controls

All doors of the proposed facility will be under controlled access by a key card access control system. The key-card system allows only designated employees to access each area of the facility. Each card also has time designated access to a given area, so that no employee can access the given area of the facility except when that employee is allowed and designated to do so. The card system also has “no pass-back” capability, so that a person who would steal a card cannot give a card through a window or under a door to another person. Keycards can be turned off remotely, so that any lost or stolen cards are inoperable as soon as they are reported missing.

Ethnobotanica is also currently considering proposals to use more advanced access control options, such as fingerprint or retina access, as these technologies are becoming financially viable for small businesses.

Video Surveillance

All rooms will be under video surveillance. The 2500ft² of 2122 Hutton Rd and its immediate perimeter will be covered by high definition night vision security cameras per the Sentinel Security Proposal. Cameras will be directed to:

- Collect visual records of entry and exit of employees and visitors,
- Notify police and private security of any security breach when closed,
- Verify non-diversion by employees
- Identify unauthorized individuals who may attempt to gain access to the facility
- Assure proper cash handling and record keeping practices, and
- Ensure a strong deterrent factor.

Ethnobotanica’s surveillance system will additionally be able to identify burglar’s after-the-fact. Many video surveillance systems cannot truly identify individuals after an attempted or successful robbery, due to low quality resolution or ineffective density. Using high density combined with high definition resolution, Ethnobotanica’s video surveillance system will be able to make positive identification of burglars, if any attempt is made.

Surveillance will cover the entire property. Cameras will be place beyond the scope of Ethnobotanica’s unit, so that our surveillance covers perimeter

fencing and parking lots around the entire building unit C is located in. This will assure that Ethnobotanica and law enforcement have access to information regarding entry and exit of all people and suspects to the property in the case it is needed.

Ethnobotanica will assure all surveillance data is secure. The power to the surveillance cameras and DVR will have a battery backup able to provide 72 hours of additional power in the case of an accidental or intentional power failure. All Surveillance records will be maintained for at least 30 days. Cloud based servers will be used to back up data in the instance the DVR is damaged and allow for remote viewing by security personnel and management. The DVR and battery backup unit will be located in the Secure Storage Area, in a two hour rated locking fire safe, preventing both theft and accidental destruction in the case of a fire or other emergency.

Motion Sensors

Electronic alarm system will include the installation of motion sensors per the Sentinel Security Proposal. These sensors will detect any movement which occurs in the unit from the time security has set the alarm at night to when Ethnobotanica opens the next morning. These devices ensure that if an intruder manages to get into the building through an unprotected entry, such as a hole cut through a wall, the intruder will still be immediately detected.

Motion Sensors will be wired to remote battery backup systems. If power is turned off to main facility, motion sensors will continue to operate and sound the alarm in the instance of an intrusion.

Window and Door Monitoring Devices

All windows and doors shall be protected by magnetic contacts and vibration sensing devices. Magnetic contacts trigger the alarm whenever the sensor detects a window or door has been opened, when the alarm has been activated. Vibration sensors trigger the alarm system in the event the sensor detects a significant vibration, such as the action of attempting to break a window or kick in a door. These alarms are especially effective, as they can identify attempted intrusion before the facility has actually been compromised.

Security Maintenance, Audit, and Tests

A complete security audit shall be carried out on a quarterly basis by the security contractor. The security audit will check all policies and procedures and check to make sure all protocol are being followed by staff. They will also use staff comments and suggestions to continue making protocol changes which would allow for a more secure facility.

Included in the quarterly security audit will be a complete test of security systems. The Security system test will complete the following actions:

- Testing overall system integrity
- Ensuring system is communicating correctly with monitoring station
- Checking integrity of back up batteries to ensure sufficient charge rate in case of power failure
- Checking all sirens, camera's, motion sensors are working correctly
- Evaluate placement of cameras and motion sensors.
- Ensure panic Buttons and Internal Communications work properly

As part of the quarterly security audit, the security contractor will gather information relevant to our security program, including:

- Review of any incidents
- Evaluation of policies and procedures
- Evaluation of employees adhesion to protocol
- Safety and security feedback filled out by all employees
- Group discussions to expand on raised issues

The security contractor will use the above information to put together a comprehensive report on the effectiveness of our security program. That report shall also contain a plan on how security can be improved. These reports shall be submitted to the Board of Directors and the security contractor shall implement any and all changes approved by the Board.

Section 3: State Legal Compliance: Procedures and Policies to Ensure the Security and Non-Diversion of Medical Cannabis

In 2008 the California attorney general issued “Guidelines for the Security and Non-Diversion of Marijuana grown for Medical Use”. Paragraph B of Section IV directly addresses how a collective would operate legally within the state:

“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.
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.

4. Collectives Should Acquire, Possess, and Distribute Only Lawfully Cultivated

Marijuana: Collectives and cooperatives should acquire marijuana only from their constituent members, because only marijuana grown by a qualified patient or his or her primary caregiver may lawfully be transported by, or distributed to, other members of a collective or cooperative. (§§ 11362.765, 11362.775.) The collective or cooperative may then allocate it to other members of the group. Nothing allows marijuana to be purchased from outside the collective or cooperative for distribution to its members. Instead, the cycle should be a closed circuit of marijuana cultivation and consumption with no purchases or sales to or from non-members. To help prevent diversion of medical marijuana to nonmedical markets, collectives and *cooperatives should document each member's contribution of labor, resources, or money to the enterprise.* They also should track and record the source of their marijuana.

- 5. Distribution and Sales to Non-Members are Prohibited:** State law allows primary caregivers to be reimbursed for certain services (including marijuana cultivation), but nothing allows individuals or groups to sell or distribute marijuana to non-members. Accordingly, a collective or cooperative may not distribute medical marijuana to any person who is not a member in good standing of the organization. A dispensing collective or cooperative may credit its members for marijuana they provide to the collective, which it may then allocate to other members. (§ 11362.765(c).) Members also may reimburse the collective or cooperative for marijuana that has been allocated to them. Any monetary reimbursement that members provide to the collective or cooperative should only be an amount necessary to cover overhead costs and operating expenses.

- 6. Permissible Reimbursements and Allocations:** Marijuana grown at a collective or cooperative for medical purposes may be:

- a) Provided 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 reasonably calculated to cover overhead costs and operating expenses; or
- d) Any combination of the above.

- 7. Possession and Cultivation Guidelines:** If a person is acting as primary caregiver to more than one patient under section 11362.7(d)(2), he or she may aggregate the

possession and cultivation limits for *each patient*. For example, applying the MMP's basic possession guidelines, if a caregiver is responsible for three patients, he or she may possess up to 24 oz. of marijuana (8 oz. per patient) and may grow 18 mature or 36 immature plants. Similarly, collectives and cooperatives may cultivate and transport marijuana in aggregate amounts tied to its membership numbers. Any patient or primary caregiver exceeding individual possession guidelines should have supporting records readily available when:

- a) Operating a location for cultivation;
- b) *Transporting the group's medical marijuana; and*
- c) Operating a location for distribution to members of the collective or cooperative.

8. **Security:** Collectives and cooperatives should provide adequate security to ensure that patients are safe and that the surrounding homes or businesses are not negatively impacted by nuisance activity such as loitering or crime. Further, to maintain security, prevent fraud, and deter robberies, collectives and cooperatives should keep accurate records and follow accepted cash handling practices, including regular bank runs and *cash drops, and maintain a general ledger of cash transactions.*"

The following protocol represents practical operating procedures to assure compliance with those guidelines, as well as the Compassionate Use Act, Medical Marijuana Program Act, and case law regarding medical Cannabis.

Becoming a Member

When patients enter the facility, they are greeted by a uniformed security guard. This guard visually inspects the patient's required documents, including the patient's recommendation for medical Cannabis and a government issued ID. Security will be trained to recognize false identification. If the information appears to be current and valid, the security guard will direct the patient to the reception desk. If the documents appear to be incomplete, out of date, or otherwise invalid, the security guard will explain the reason for denial of entry and politely request that the person return when they have all the necessary documentation.

Once the patient reaches the reception desk, office staff requests the patient's ID and recommendation for medical Cannabis for verification. The patient is also given a copy of the Ethnobotanica Membership Agreement to review and sign while he or she is waiting for verification. A digital copy is made of each patient's photo ID and recommendation for medical Cannabis, to create a patient file (if one does not already exist).

All members of Ethnobotanica must carry a physician's recommendation for medical Cannabis from a physician in good standing with the Medical Board of California or the Osteopathic Medical Board of California. These Qualified Patients (hereafter referred to as "Patient") are defined by the Compassionate Use Act as any person with a valid recommendation from a California Medical Board licensed physician. Before a Patient can become a member or apply for membership, the physician's recommendation must be verified by Ethnobotanica office staff.

Office staff notes the following information from the Patient:

- First and last name
- Date of Birth
- Contact phone number
- City of residence
- Recommending doctor's full name
- Doctor's state license number
- Doctor's contact information for verification (phone number or email address)
- Date recommendation expires
- Patient ID or other identifying number assigned by the Physician

Verifying Physicians Recommendation

Before we can verify the recommendation with the doctor, we must first verify the doctor has a license to practice with the California Medical Board. We do this by visiting the following website:

- Breeze.ca.gov/datamart/selSearchTypeCADCA.do?from=loginPage

This website allows us to enter the doctor's name and license number to verify the standing of the doctor's license. After reviewing the status of the license, we also use those sites to look at the history and standing of the doctor's license. We automatically reject any patient application when the recommending doctor has an inactive or invalid license. If the patient has been rejected for membership due to the validity of the physician's license, we will explain that reason to the patient.

Assuming the physician is verified to have a license to practice medicine, we will then verify the Patients status with the recommending physician. This is either done over the phone, or through a website. The doctor's office or site will request certain identifiable information, verify the authenticity of the recommendation and validate the date of expiration. If for some reason the recommendation is not valid, we inform the patient of our results. If the Patient is valid, they are allowed to proceed to fill out an application for membership with Ethnobotanica and are placed in our central database as a "verified" patient and active member.

Membership

Once verified, the Patient is must fill out the Ethnobotanica Membership Agreement to apply for membership. The Membership Agreement collects some of the same information collected from the Patient including name, date of birth, and contact information, but also includes a medical release and conditions for the doctor's recommendation. The Membership Agreement asks the Patient to agree by initial to a series of statements, including but not limited to:

- Agreement to not distribute/exchange medical Marijuana to/with non-members
- Agreement to not use marijuana for non-medical use
- Agreement to carry physician's recommendation and ID at all times
- Agreement to not take medical Marijuana out-of-state
- Agreement to follow all Ethnobotanica rules and regulations
- Agreement to keep Ethnobotanica up-to-date to any changes in patient status
- Agreement to follow all laws regarding medical Marijuana and the Attorney General's guidelines
- Permission to possess, cultivated, distribute, and transport medical Cannabis on the members behalf
- Permission to litigate and otherwise on the members behalf in relation to Ethnobotanica's business activities

NOTE: So as to not misrepresent the content of these statements, a current copy of the Membership Agreement has been provided. However, the attached Ethnobotanica Membership Agreement will be adjusted to reflect incorporation of both delivery and storefront operations.

The person will be granted membership with Ethnobotanica if they: have not been rejected for a specific reason as outlined above, agreed to all conditions of the Ethnobotanica membership agreement, provided us with their California ID and original physicians recommendation, and staff has had an opportunity to verify all documents. A digital copy of the signed Membership Agreement is maintained, and the Patient is given a copy for their records. This ensures members have access to their Membership Agreement, and to the policies and responsibilities that come along with Ethnobotanica membership.

Members will then be given an orientation and tour of the facility by office staff. Office staff verbally informs the member of the general process of using the dispensary services, including alternative health programs and other member services, and gives the member additional written documentation including rules and various handouts regarding services and member opportunities. Once orientation is complete, the member is then allowed to approach the dispensary counters and purchase Cannabis medications and other products.

General Member Rules

- No patient, member, or guest shall consume any cannabis on property of Ethnobotanica.
- No member will consume any Cannabis on any property without the permission of the person with legal control of that property.
- No patient, member, or visitor shall be allowed onto Ethnobotanica property that appears to be under the influence of Cannabis, alcohol, or other drugs. (With exception for qualified patients on medication arriving with a caregiver)
- No patient, members, or visitor shall be allowed to bring more than one guest onto Ethnobotanica property without prior approval.
- No employee or member shall allow any guest to remain on any Ethnobotanica property other than in the waiting room.
- No member shall sell, exchange, display, present, give, trade, barter, or otherwise release control and/or allow use of their medication to any other person, patient, or member, except to return their purchased medication to an authorized representative of Ethnobotanica at the dispensary.
- No patient, member, employee, or guest shall behave in an aggressive manner toward any other patient, member, employee, or guest.

Unintentional and/or Minor Violations

Unintentional minor violations would be a situation where an individual would violate a rule or otherwise cause some issue which does not pose any threat to safety and security of the premises or community, or violate any law or ordinance. While Ethnobotanica will do its best to assure clarity in how our rules are written, occasionally a person may misinterpret our regulations. Examples might be a member, without thinking, taking an item out of their bag to look at it in the parking lot or allowing a guest to stay in the parking lot.

These situations are generally an issue of educating the member further of our policies and rules. In these situations we will issue the member a warning along with requiring the member take a new copy of the rules and policies to review. Warnings will be kept on file permanently. Every person, who receives three warnings within a three month period or five in a year, will be banned from the dispensary for ninety days. Restrictions for any additional violations will be decided on a case by case basis after review of the members file. Chronic "accidental" violations will be considered willful and be treated as such. Any decision or incident which leads to restriction of access to Ethnobotanica property will be regarded as "minor" incidents on the incident logs. (Ethnobotanica can easily alter these policies at the request of County Staff).

Intentional and/or Major Violations of General Rules

Intentional and/or major violations are those in which the person apparently or obviously intended to break or disregard Ethnobotanica rules, regulations, and/or policies and/or that cause a safety and/or security threat to Ethnobotanica or the community. These violations are generally indicated by the behavior or language of the offender. Intentional violations are dealt with much harsher and with less consideration to the offender, since intent is an aspect these situations.

Intentional and/or Serious violations are grounds for either a warning or immediate termination of membership, based on the egregiousness of the violation. However, only one warning maximum will be given to any individual who engages in willful or deceitful violation before a temporary or permanent termination of membership. Willful violations which otherwise would be considered "minor" incidents will be considered "major" since the behavior of a member or patient who shows evidence of intentionally inconsiderate and disrespectful behavior should also be noted in case of some other more serious incident.

Additionally, if the incident poses a risk to the safety or security of Ethnobotanica or the community, such as the case of a person driving under the influence, theft, or a violent incident, staff will immediately ban the member and notify law enforcement.

Preventing On-Site Consumption

Ethnobotanica will have a strict policy of “no onsite consumption” at the proposed dispensary. Our highest priority is to the safety of our community, our members, and our employees. Allowing individuals to consume Cannabis on site or come to the dispensary under the influence of Cannabis, would be equivalent to encouraging our members to drive under the influence of Cannabis, which is a danger to all. There may occasionally be exceptions to this rule, such as the example of a patient being driven to the dispensary by a caregiver. Those exceptions will be considered carefully on a case-by-case basis.

There are other activities Ethnobotanica will not allow at the dispensary. Most importantly, no person shall be allowed in the dispensary or office who indicates they are under the influence of Cannabis, alcohol, or any other drug. Also, Ethnobotanica will prohibit any viewing, opening, or displaying Cannabis and/or Cannabis products outside the dispensary floor, including the parking lot or in any vehicle while on dispensary property. Instructions will be given to wait until any member is at home or other safe location before opening their bag to view or use their medication.

Experience does show us that medical Cannabis patients are extremely thankful and appreciative of their rights and responsibilities in using Cannabis as a medicine. For that reason, simple signage to signal people of our on-site consumption policies will make on-site consumption a negligible issue. Additionally, our policies regarding on-site consumption and being under the influence of any drug will be a part of the basic rules, printed in bold on the membership agreement all patients must sign before becoming a member.

Any violation regarding on-site consumption which might otherwise seem to be considered “accidental” will be treated as a willful violation with a single warning before termination of membership. Any member who obviously and willfully ignores the non-consumption policies will have their membership immediately terminated.

Patient Database

All patients are put into a comprehensive database, MJFreeway.com. This database has been specifically developed as a HIPPA compliant medical Cannabis software suite for use by the Cannabis industry, and is also compliant with all Colorado regulatory standards. This system tracks the status of the patient from verification, through membership, to expiration. We track patients in the following categories: Verified, Member, Expired, and Rejected.

- **“Verified”** status means the patient’s recommendation has been verified by office staff with the recommending physician. It is also necessary for the physician’s license be verified through the CA Medical Board’s website. These patients must provide a California ID for inspection, the physician’s written recommendation, and fill out the Membership Agreement to become a member. Patients are not entered into our MJ Freeway database until they are verified.
- **“Member”** status is designated to those who have provided all necessary documentation and filled out the membership agreement. This is the only category of members who have all rights of Ethnobotanica membership, including the ability to receive medical Cannabis from us, medical Cannabis to us, utilize other Ethnobotanica services, volunteer, etc.
- **“Expired”** are those individuals whose most recent recommendation from their physician has expired. These members must sign a new membership agreement to assure they are up-to-date with any changes, have a new recommendation re-verified, and provide any other necessary documentation. For all intensive and purposes, these expired members must go through the original process like any other new patient, but their information is kept in the database for record keeping purposes.
- **“Rejected”** members are those who have violated Ethnobotanica’s rules and regulations for various purposes. This designation goes to anyone whom we have had concerns of diversion, sexual harassment, racism, being rude or verbally abusive, being associated with another patient on the rejected list, otherwise made any staff member feel uncomfortable, or violated any Ethnobotanica rule or condition of membership. Given the constant scrutiny our industry is under, Ethnobotanica understands the importance of such practices and does not hesitate to put patients on this list for even the slightest suggestions of non-conformity with our policies.

Patient and Member Access to Inventory

Patients and the public do not have visual or physical access to Cannabis medications until becoming a member. Before obtaining access to the dispensary floor, all patients must become members. The only visual or physical access is at the dispensary counter.

Members only have access to very small amounts of medical Cannabis. Display cases house small quantities of a large variety of products, kept behind a locked display case, without physical access. While making their choices, members are allowed to closely inspect small amounts of Cannabis or single products. These samples are kept in the possession of the clerk for inspection. Only once the member has made their selections and made payment, does any member take possession of any product. Members do not have visual or physical access to any bulk inventory.

All bulk inventory is kept in the Secure Storage Room. Please See “Secure Storage Area” for details.

Description of Dispensary Counter

A dispensary floor works much like that of a jewelry counter. Due to the small size and high value, medical Cannabis samples and products are always kept behind either the back wall behind a dispensary counter, or in glass viewing displays. Any displays on the main dispensary floor are used for bulky non-medical Cannabis items, such a clothing or books.

Sales and Display

Every clerk is responsible for his or her individual inventory. Each clerk has his or her own separate locking cabinet which contains his/her inventory. Each cabinet has a unique key, so that each clerk only has access to his or her own inventory. These cabinets and displays are to remain locked any time the clerk does not need access to them, including rest and lunch breaks. Rest and lunch breaks are staggered between clerks and each register area is on surveillance to assure there are no opportunities for theft. The inventory in the cabinet is accounted for each morning and evening, during opening and closing, respectively, and signed witness by both the dispensary manager and the clerk.

Each register has its own display containing various medical Cannabis products. These items are also accounted for as part of the clerk's inventory. Each item we carry in inventory has a representative sample in the display case within view of the register. If a member would like to take a closer look at any one sample, the clerk will take the sample out of the display case to let the member inspect the sample, then return each sample to its position in the case before obtaining another sample. The clerk takes notes as to the member's choices and closes and locks the back of all displays when the member is finished. At this point, the member has no access to any inventory.

After the member selects his or her medication, the clerk retrieves the members' medication from a cabinet directly behind the counter. When all of the items are gathered, the clerk scans each item for sale, bags those items, and then places the bag on the counter near the clerk. The clerk then takes payment for the items. Once the items are paid for, the clerk hands the bagged items to the member.

Secure Storage Area

All cannabis will be in the Secure Storage Area on the floor plan. This room will contain all bulk Cannabis medication not in the clerks locking cabinets 24 hours a day. All clerk cabinets shall be on wheels, to allow the cabinets to be rolled into the room at night for storage. The only employees with access to the Secure Storage Area shall be the Manager, Assistant Manager, and Security Staff. No clerk or other employee shall have access to the Secure Storage Area, to limit the possibility of internal diversion.

The secure storage room shall be secured by four Video Surveillance cameras' covering every part of the Secure Storage Area from every possible angle. Additionally, two motion sensitive burglar alarms shall be placed in the room to assure any movement within the room triggers the burglar alarm once the burglar alarm has been activated during the nightly security closing procedures. Additionally, burglar alarm and video surveillance can be monitored remotely, and a signal alarm will alert management and security if burglar alarm has been activated.

3/16" steel plates will line the walls and ceiling of the secure storage area. The steel plate, combined with a steel security door which opens outward from the security room, will eliminate the ability for the walls to be "kicked in" to gain access. This will make the room impenetrable without significant time to compromise the room by cutting through the wall with a metal saw. Assuming an alarm was triggered during a robbery attempt, Police or security would easily be on site before a burglar was able to compromise the secure storage room.

Disposal of Unused or Surplus Medical Cannabis

Generally, Ethnobotanica has a zero-waste policy when it comes to medical Cannabis. Any “surplus” Cannabis can be used to create low-dose cannabis products and expand product lines, such as diluting Cannabis into balms or tinctures.

There may be instances when a product is rendered unusable or toxic, for example some Cannabis being dropped onto the floor in the Secure Storage Area while stocking a cabinet. This Cannabis can be easily denatured. Ethnobotanica has adopted the policy to grind up and/or mix the Cannabis with water and cat litter. This technique is the direction given to Canadian medical Cannabis growers and patients to denature medical Cannabis by the Canadian Health Department in conjunction with federal law enforcement in Canada. Additionally, Colorado’s regulations state that discarded Cannabis must be rendered “unusable and unrecognizable”, which the “cat litter” procedure would accomplish. To our knowledge, these are the only two government guidelines to destroy medical Cannabis. We are confident that this process will fit the only two governmental standards we have been able to identify.

Security Related Opening and Closing procedures

Following proper opening procedures is key to assuring that the facility is not a targeted before the start of the regular business day.

Both one security guard and one manager or assistant manager shall be on-site to open the doors for early employee entry at 10 AM, one hour before the dispensary opens. Security and Management shall do a 15 minute “walk-thru” of the facility each morning to assure everything “is as it should be” and that no break-ins have occurred. Security will then remain at door to let all employees in while monitoring video surveillance, and then lock the entry once all employees have entered. Security will let any late employees in one-by-one.

Security Staff Procedures

Opening

Upon entry by security, manager, and on-time employees, doors will remain locked until 11 AM except when security is required to open door for employees. Security will remain inside the main entry performing system checks. Security will perform the following morning security checks:

- Disable and perform manual tests on alarm sensors
- Inspect facility for possible security risks, take notes
- Check that all locking cabinets and doors are working properly
- Inspect inside and outside of facility for signs of attempted security breeches
- Check lines of sight are open
- Turn on all lights and assure all lighting is working properly

Closing

Security will stay until the last employee in building is ready to leave. Security personnel will be responsible for assuring the facility is secure for the night. Security staff will perform the following security check:

- Walk perimeter to check lighting and cameras for obstruction and operation
- Double check all locking doors, cabinets, and safe are secure
- Turn off appropriate indoor lighting
- Check camera lines of sight for obstruction and operation
- Inspect facility for possible security risks
- Perform security bag/coat check
- Supervise maintenance/cleaning staff
- Activate burglar alarm
- Double check doors from outside

Dispensary Procedures

Opening

Once the walk-thru is completed with security, the dispensary manager's duties initially revolve around checking inventory and cash accounting. Manager will double check stock levels in each register cabinet to assure inventory matches the closing inventory for each register, then add to that stock from main inventory. This inventory must be signed off by both a manager and the retail clerk assigned to each register cabinet to assure redundancy and accountability of both the manager and the retail clerk. Manager will perform the following daily inventory security check:

- Manager weighs or counts inventory items in each cabinet, and has each clerk review and sign for inventory, then reconciles the inventory levels in MJ Freeway
- Manager adds to clerk inventory from main inventory, clerk reviews and signs on all inventory added, the additional inventory is entered in MJ Freeway
- Each clerk sets up his or her display case according to display map
- Manager and clerk enter starting cash into register
- Manager balances ledger and main inventory

Closing

Manager and clerk's responsibility at closing revolve around settling inventory and cash. All inventory and cash will be signed off by both the closing clerk and the manager as an accountability measure. Managers and/or clerks will carry out the following inventory-security related closing procedures

- Clerks remove display inventory and place in main cabinet.
- Clerk and manager weigh and/or count inventory to reconcile
- Manager completes inventory reconcile in MJFreeway
- Clerk and manager reconcile register
- Manager balances ledger and main inventory
- Clerks lock individual cabinets and workstations
- Manager double checks locking doors and cabinets (pre-security)

- All computers shut down

Office Opening and Closing Procedures

The office is primarily responsible for record keeping and verification of documents regarding an individual's right to use medical Cannabis. While there is debate to whether HIPPA law applies to medical Cannabis, Ethnobotanica feels that compliance with HIPPA and protection of our member's personal information, including physician information, is of the utmost priority for our office staff. However, security is generally less of a concern for the office since it is unlikely to be the target of a security breach.

Opening

Office opening procedures are generally related to turning computers on and opening all software in preparation for arrival of members.

Closing

Office closing procedures generally include a check to make sure patient information is not left out in a place viewable by members or non-administrative staff and computers are turned off. Information should be viewable on a "need-to-know" basis. All information will be kept in either a) a secure, locked file cabinet, or 2) a computer with password protection on both the main computer and additional password protection in the file folders. Ethnobotanica uses software specifically designed to assure HIPPA compliance.

Closing Checklist

- Finalize organization and filing of all open documents.
- All patient files with personal information filed into locked filing cabinets
- All software closed out
- Computers turned off, password protected

Money Handling and Limited Cash Operation

Large volumes of cash are often associated with medical Cannabis dispensaries. This is due to the lack of financial institutions generally willing to deal with medical Cannabis businesses. Through much effort and discussion, Ethnobotanica has secured a bank willing to provide us with banking services like any regular business. This enables us to deposit cash for regular payment of bills

by check or online, unlike many dispensaries in the state and country. To discourage the use of cash as payments and to decrease the amount of cash on hand, Ethnobotanica will incentivize members to use debit cards by offering a small discount for those who use debit.

To reduce the risks of theft or robbery, associated with cash sales and operation, Ethnobotanica will train our staff in the following policies and procedures:

- Cash is kept out of view of members/public
- Each dispensary register will be under obvious video surveillance
- Manager will take money to safe when register contains over \$1000
- Design will incorporate a visible barrier or privacy screen for the counter area when cash drawers are removed or cash is counted
- Training will directly address cash handling for each activity, for every position, which deals with cash (ex.: removing cash for clerks, accepting cash and taking to safe for managers, etc.)
- Specify in training for clerks to maintain theft and robbery protocol with ongoing supervision by manager
- Include consequential oversight for failure to comply with security protocols
- Have written procedures readily available and posted in break room at dispensary counters
- Require employee feedback and input of suspicious activity notes in member “notes”

Theft

Prevention

Prevention of theft is the most cost effective and safest way to deal with threats of theft. All employees will be trained to carry out the following policies and procedures to:

Identify and report suspicious activity by members or patients, including:

- Nervousness
- Wandering
- Attempting to leave and return without discussion
- Attempting to stay in part of store that is difficult to see
- Darting eyes, looking around frequently
- Avoiding eye contact

Be Proactive by:

- Greeting and acknowledging all patients and members employees come in contact with
- Being friendly and polite to customers
- Asking if someone needs help if acting suspiciously
- Keeping store clean
- Incorporating 3rd party violence prevention training for all staff

If a Person is Suspected of Theft or Shoplifting:

- Do not do anything that the suspect could consider “threatening”. Safety is more important than loss
- Do not try to physically stop the suspect
- Do not lock in suspect or prevent suspect from leaving
- Approach the suspect in a calm manner and ask the person if they need help or if holding an item, if they are ready to pay
- Stay out of reach of suspect
- If employee feels frightened or uneasy, report activity to security

- Call police and/or report activity to security if illegal activity or threat of violence is obvious or imminent.

If Theft has Occurred

Intervention or other attempts to stop a theft can escalate a situation from being one of property loss to a more dangerous physical altercation. The following policies must be followed to keep employees safe while letting law enforcement pursue the suspect

- Do not pursue suspect
- Call security immediately
- Security can notify police and prepare surveillance video
- Don't make accusations
- Do not trap suspect, feeling trapped causes panic and erratic behavior
- Keep distance from suspect
- Make mental notes of hair and eye color, clothes, distinguishable markings such as scars, tattoos, piercings, vehicle make, model and license plate number, etc.
- Give suspect a chance to pay, ask questions like "are you ready to pay" that do not accuse but do confront and give suspect benefit of the doubt

Once Suspect has Left

Once there is no fear of harm from exciting a suspect and escalating the situation, take the following actions:

- Immediately write down any information regarding appearance, including, height, weight, hair style and color, skin color, notable features, such as scars and/or tattoos, mannerisms, clothing and footwear while it is still fresh in memory.
- Use video surveillance or eye witnesses to identify make and model
- Have Security call police immediately
- Get copy of ID from files if we have it
- Fill out Incident Report and prepare copy for police

Robbery

Robberies present the greatest threat to the safety and security of employees and diversion of medical Cannabis to the black market. Making the dispensary a difficult target will protect our employees and members from possible violent situations, provide a safe work environment for our employees, and assure that Ethnobotanica's medication stays off the black market. Employees will be trained in the following policies and procedures to help assure robberies do not happen, and if they do, our employees will be prepared to deal with the situation in the best way possible.

Prevention

Robbers thrive in chaos and disorder. A "dressy casual" dress code will include button up shirt free of stains, tears, etc., and staff will keep the dispensary clean during the course of the business day with a nightly professional cleaning. Every part of the dispensary will be well lit so that there are no places for a suspect to hide. This will make employees and members feel more comfortable and potential robbers feel uncomfortable.

The following policies and procedures will aid in assuring Ethnobotanica is a "hard" target of robbery:

- **Keep store well lit** – Employees will be trained to pay attention to burned out bulbs and notify Manager or maintenance to change burned out bulbs immediately.
- **Be friendly** – Employees will be trained to make eye contact and give customers a friendly greeting.
- **Stay Alert** – Watch for people showing the same behavior as shoplifters.
- **Engage Nearby Customers** - If someone is acting suspicious, ask the person ahead in line of the suspicious person, "Are you together?" The customer in front will turn around and notice the person behind them, making that person uncomfortable if they have bad intentions and also providing a witness for identification later.
- **Act on Suspicious behavior** – If someone continues to stand out after passive intervention, security will be notified and management will discuss whether police intervention is appropriate.
- **Make Friends with Law Enforcement** – Keep positive relations with sheriff's department and encourage them to come by occasionally. When they do come by, be polite, offer a tour and coffee, etc.

- **Cash Handling** – Cash will be handled discreetly and large amounts of cash kept out of sight of general membership. If member tries to pay with a large bill, ask for smaller bill and explain we do not keep large amounts of cash on hand.

During a Robbery Attempt

- **Play it Safe** – Do not try to be a hero. Cooperate. Give up money and inventory. Do not resist. Safety of employees is more important than loss of cash or inventory.
- **Avoid Weapons** – Even if you cannot see a weapon, assume there is one.
- **Stay Calm** - Observe as much as possible about the robber, but do not stare or try to aggravate.
- **Do not Trap Robber** – A person who feels trapped is more likely to panic and become violent and behave erratically.
- **Ask Questions** - If you do not understand what the robber is telling you to do, ask for clarification.
- **Avoid Surprises** – Keep hands in sight and don't make sudden moves.
- **Inform Robber** - If you have to reach for something, there is another employee in the store, or there is something that may make noise or otherwise startle the robber, let them know so they are not surprised.
- **Keep it Brief** – Give the robber what he wants as fast as possible so that the incident ends quickly.
- **Keep it Smooth** – handle the situation as if it is a normal transaction.
- **Wait to Activate Alarm** – Do not chance activating silent alarm if robber might notice. Chances are another employee who is not in direct danger will activate the alarm. Activate alarm only when robber is gone and is no longer a threat.

When the Robber has Left

- **Do not chase or follow** – Safety is more important than loss of property or catching a criminal.

- **Lock the store** – Operations must cease after an incident, inventory locked, and employees and patients will need time to calm down and speak with police.
- **Notify security or police immediately** – Police will find and deal with criminals
- **Ask Witnesses to Stay** - Make them as comfortable as possible. If they do not, try to get contact information.
- **Protect Crime Scene** – Lock down store. Do not allow anyone to touch anything where robber has been. Do not resume business until police are finished with investigation and give permission to resume business.
- **Do Not Discuss** – Do not talk about details of the robbery until Police have taken statements.
- **Fill out Incident report** - Prepare copy for police.

Upset or Angry Individuals

Occasionally we will have to deal with difficult or irate people. Those people may become aggressive and make employees feel threatened and vulnerable. Having policies in place to help deal with difficult people will help diffuse a situation and avoid escalation into conflict or a more dangerous situation.

Often times attempting to calm the person down will give a better result than requesting the person to leave. The following policies and procedures will help employees to deal with these customers in a way which lead to a positive outcome, while giving employees the guidelines to deal with an escalating situation. If a situation cannot be defused or the person refuses to calm down, then they should be treated as an “abusive” customer and appropriate action taken.

Defusing the Situation

- **Move to a quiet location** - Noisy and crowded places can make people uncomfortable and distracted and may attract third parties to get involved. Moving to a calm and quiet place can help a person feel more comfortable and be able to relax easier.
- **Ask Questions** - Try and understand what concerns the person has.

- **Stay Calm** - Do not personally engage in a negative back and forth. Remain calm, respectful, and courteous. Try to calm the upset person.
- **Talk to Manager** - Either speak with a manager or ask if the person would like to speak with a manager. Having a supervisor talk to someone who is upset can itself settle a situation if the person feels that his issue is with a specific employee. Managers have more discretion to make a change or otherwise address many issues.
- **Point to Law** - If a person is angry about an issue that cannot be addressed for legal issues, such as a person not having an ID or recommendation, point out signs and explain the law so that the person understands the legal ramifications.
- **Avoid Right vs Wrong** - Try instead to find a solution that will address the persons concern and otherwise satisfy them.
- **Find Points of Agreement** - Try to find ways to show the person you understand their concerns and agree with them, even if you cannot change the end result. For example, if the person is angry they must show ID, you can say "I think the law has flaws too, but unfortunately those are the rules we have to operate by".
- **Stick to Facts** - Avoid opinion or judgment. Bring conversation back to the real issues if person gets off-topic.
- **Listen Carefully** - Try to put yourself in the other persons shoes to understand where they are coming from.
- **Let Person Save Face** - Often times a situation will become more about a person's pride than the real issue. Allow a person to feel right and try to compensate the person if it helps diffuse a situation.

If the person is having a difficult time calming down and/or the situation seems to be escalating, then employees will adhere to the following protocol:

- **Do not leave a distressed person unattended** - If you need the assistance of a manager or security, have another employee stay with the person or ask another employee to get a manager or security officer.
- **Get a Manager** - If you cannot calm the person down, tell them you will get a manager and have another employee retrieve the manager. Let them know you are doing this as a courtesy, not as a threat.

- **Get a Security Guard** - As a last result, if management is not available, have another employee get a security guard.

Abusive Persons

Rarely, individuals may act in obviously inappropriate ways. This can include anything from someone who demeaning, intimidating, or mildly offensive to physical and sexual harassment. If abusive conduct is experienced or noticed by an employee, it is important that the behavior is addressed immediately to prevent anyone from being offended by such behavior or the behavior escalating into violent behavior or becoming a systemic problem.

How to deal with abusive people

- **Tell the Person to Stop** - The person may not realize their behavior is abusive, and not addressing the behavior may cause it to become a pattern.
- **Tell the Person Why the Behavior is Unacceptable** - The person may not understand until you explain to them how it makes you feel. If the person does not stop, then they are intentionally engaging in a behavior they know makes you feel uncomfortable or threatened.
- **Obtain Security Staff** - Security staff will ask the person to leave if they have continued to act abusively.
- **Report the Incident** - Tell the manager or security so that those people who engage in abusive behavior can be put on the banned list or make notes in the member file. We can ban members who behave abusive to prevent future incidents.
- **Call for Police** - If you are threatened directly with harm, or abuse occurs, notify security or call police immediately.
- **Call for Help** - Do not be afraid to yell for help if you feel you might be harmed.

Unwelcome People

Like any retail business, the dispensary may face unwanted or unwelcome people, such as loiterers or panhandlers. Due to having on-site security, these issues will be more directly and immediately addressed compared to other retail

type establishments. The Nipomo location is far from any central business or populated area where undesirable people might originate. However, the following policies and procedures will be in place to expedite the removal of those people and help assure unwanted people are not attracted to the dispensary.

- Private security will ask loiterers or panhandlers to leave
- Signs will be posted both inside and outside facility prohibiting loitering
- Signs will be posted that restrooms are for members only

Suspicious persons

Occasionally a person will come to the facility that seems out of place. It may be a person's appearance, body language, behavior, or mannerisms that indicate the issue. The feelings may be sub-conscious, and make you feel uncomfortable. These persons could be in the store to shop lift or rob the dispensary. Employees are guided to listen to their instincts when identifying these people. If something doesn't feel right, it probably isn't.

When a suspicious person enters the dispensary, employees will assess the situation carefully. Employees will follow the following policies and procedures in the instance of a suspicious person:

- **Listen to your instincts** - Remember that your safety is more important than the goods in the store.
- **Contact Security** - Describe the situation, the suspicious person, and how long they have been in the store.
- **Make Verbal Contact** - If someone has been in the store for a long time and they seem to be looking for something, ask loudly whether they need help.
- **Keep your Distance** - stay at least an arm's length away.
- **Keep Records** - When the suspicious person has left, write a description in the log so that other employees can watch out for this person. This will also help you recognize the person if he or she returns.

Incident Management and Emergency Response

However prepared, violent incidents and natural disasters may still occur. If these events happen, it is important to act quickly to minimize effects on the employees, members, and the dispensary, and to also protect inventory from diversion. Ethnobotanica will provide support to victims of any violent incident or natural disaster, as well as report and investigate any incidents, and revise prevention plans, policies, and procedures to prevent future incidents and improve preparedness.

Immediate Injuries

If an employee, member or other person is hurt during an incident or a disaster, employees will be trained to carry out the following policies and procedures, and these policies and procedures will be posted in an easily visible location. All employees will know where first aid supplies are kept and how to get help if they are hurt.

- **Serious Injuries** - Call 911 immediately and notify of situation, apply appropriate first aid as feasible.
- **Less Serious Injuries** - Provide appropriate first aid and refer to doctor, consider 911.
- **Contact with Blood or Bodily fluids** – Make sure names of those people who have made contact with another person's blood are written down and have person's blood or fluids tested for communicable diseases

Lock down of inventory

Once an incident occurs and the health and safety of employees and members is assured, the next step will be to assure that all Cannabis related products are locked in the safe room or the dispensary floor itself is cleared of people if conditions are such that the dispensary room must be preserved for evidence. In case of robbery attempt on dispensary floor, manager or responsible person will gather any employees from each work area, including office, and escort all employees, members, and other people to waiting room. In the case of a natural disaster or other emergency which does not require the dispensary floor be preserved for evidence, the manager and security personal will take all inventory into the main stock room to secure until dispensary floor is ready to reopen.

After any incident, once any chaos has been calmed, and police have clearly given permission to reopen, Ethnobotanica will carry out the following procedure to assure no diversion attempt has occurred as a result of the incident:

- Count each register's cash and receipts, check for discrepancies.
- Take inventory of each clerk's medical Cannabis inventory, check for discrepancies.
- Check register and main ledgers against cash.
- Take inventory of main inventory safe room, check for discrepancies.
- If any discrepancies, check video of incident time frame to discover where losses could have occurred.
- Check dispensary floor for any additional information, evidence, damage, etc., if appropriate.
- Stock clerks and registers only after discrepancies have been resolved and/or additional incidental theft has been reported if appropriate.
- Report any losses or theft in incident report and file incident report with Sheriff's Department.

Critical Incident Intervention

Critical Incidents are those incidents which may have traumatic or long term impact on an employee, be it physical, emotional, or psychological. In the event of such an incident, such as a robbery, natural disaster, or worse, Ethnobotanica will arrange for a Critical Incident Intervention as soon as possible.

This intervention will help determine whether an employee needs trauma counselling, alleviate stress, and otherwise address the well-being of employees by a trained professional. The intervention will also encourage employees to talk about their responses and feelings about the incident, and let them know there is someone to listen. When employees internalize, bury, or "wall-off" their reactions to such an event, it can be extremely harmful long term.

Additionally, employees will be trained to watch other employees for symptoms of psychological and emotional trauma, such as employees:

- Acting or feeling anxious, moody, irritable, numb, or dazed
- Having trouble concentrating or making decisions

- Being afraid to go back to work or be near incident
- Not wanting to be alone
- Not wanting to be near other people
- Having flashbacks, nightmares, or disturbing memories
- Vomit more than a couple hours after the incident
- Experience uncontrolled, spontaneous crying or weeping
- Experience changes in appetite and sleeping patterns

Ethnobotanica and its employees will be extremely sensitive to these warning signs and symptoms. Violent incidents can seriously affect the well-being of employees, and may put people at a greater risk of workplace accidents later. If any signs or symptoms get worse, Ethnobotanica will make sure our employees have professional help.

Reporting and Investigating the Incident

All incidents will be reported to any agencies which require such information be reported. All incidents will be reported to the Police immediately, but will also be reported as a matter of practice to any other agencies which might have interest in the incident, such as Worker's Compensation, Employee Development, etc., as necessary.

However, Ethnobotanica and its Security staff will also conduct an internal investigation of any significant incident to help identify:

- Who was involved
- Where and when the incident happened
- What happened, action by action or and word by word, including as much detail as possible
- Cause of the incident
- Why did the incident happen
- Any conditions, acts, or procedures that contributed to the incident
- Ways which policies and procedures could be changed or expanded to prevent similar incidents

- How will future incidents be dealt with if they do occur
- Level of employee adhesion to protocol

During the course of the investigation, documents will be generated by interviewing all employees and members involved and having employees document the incident from their perspective. Once the investigation is complete, we will keep all documents and reports related to the incident and use any information to improve security planning and prevent incidents from happening. All internal documents will be made available to the Sheriff's department.

To additionally aid in the prevention of any incidents from happening, the following procedures will be implemented post incident:

- Appoint Security Personnel to write a detailed summary report
- Gather suggestions from employees both involved and non-involved with the incident
- Determine if there are any other changes we can make to protect employees and incident recurrence
- Update security and non-diversion protocol and implement changes. (For example, is there additional training necessary to help prevent the incident, deal with the incident as it happens, or handle post incident?)
- Assign Security personnel to implement changes and make sure new protocol is carried out by all employees
- All information will be offered to the Sheriff's department to aid in any investigation and to gather feedback and suggestions regarding protocol changes

Liaising with Community and Law Enforcement

Immediately upon approval of the Minor Use Permit, Ethnobotanica will provide to law enforcement, local community, and neighbors, a phone number and other contact information for a person designated as our Community Liaison. This person will serve to work with local community on non-emergency issues related to medical marijuana and other Ethnobotanica business functions, as well as to generally assure Ethnobotanica has a positive impact on the community.

These duties may include:

- Working with local law enforcement to continually adjust Ethnobotanica policies and procedures in order to accommodate community and law enforcement concerns and needs
- Requesting local input on any noise or smell issues before those issues might become a nuisance
- Organizing community education regarding medical Cannabis and it's use
- Coordinating trash and graffiti removal on and beyond the location of Ethnobotanica, as a public service
- Coordinating meetings between law enforcement or other community members and Ethnobotanica Managers and Directors
- Giving law enforcement or other community leaders updates regarding Ethnobotanica business operations if requested
- Assuring community input regarding Ethnobotanica is integrated in policies and procedures and relayed to necessary staff
- Coordinating tours of the facility to law enforcement and community leaders
- Coordinating volunteer opportunities for Ethnobotanica employees to help with community projects

Training and Drills

Ethnobotanica will make training a priority of our collective. Giving our employees regular training will improve service to our members. Actively engaged employees will feel more involved and cared for. In turn, good employee training will lead to a positive, more secure work environment and excellent employee retention. All staff will be trained in the following:

Basic Dispensary Training – Training provided through Ethnobotanica to relay all historical knowledge regarding day-to-day operations, local laws, patients care, and procedures used to carry out Ethnobotanica policies and assure compliance with state law.

Americans for Safe Access Cannabis Training Institute Classes – A group of classes provided by a third party medical Cannabis activist organization which covers various topics, including training regarding federal and state law, different Cannabis based medicines, the endocannabinoid system, patient issues, and other medical Cannabis related issues. Training provides a third party certification requisite to become a Cannabis clerk with Ethnobotanica.

Sexual Harassment – Personal training to enable employees to identify and prevent sexual harassment.

LGTB sensitivity training – Many people may not understand or be sensitive to the LGTB community. LGTB training gives employees the tools they need to have a better understanding of the community, terminology, and how to deal with sensitive issues in the workplace.

Fire and Earthquake Training and Drills – Employees will be trained to deal with emergency issues related to fires and /or earthquakes to assure employees are prepared to assure the safety of patients and staff.

General Workplace Safety – Training to give employees the tools necessary to avoid injury to themselves and others in the workplace.

Healthcare Worker safety training – Special training is necessary to aid people with illness and to protect both the patients and employees around communicable disease.

Customer Service – Training so that staff can have the tools available to listen to, understand, communicate with, and better help patients.

Robbery and Theft Awareness – Training to give employees the tools to deter and identify potential threats in the workplace, per Ethnobotanica policies and procedures stated herein.

Personnel Records

Ethnobotanica maintains detailed personnel records. Personnel records begin with initial application, resume, interview questionnaires, and detailed responses from former employers and references, including interview notes. If hired, records include proof of citizenship documents and identification. Thereafter, employee files include employee performance reviews and any warnings employees receive. If the employee has been terminated or otherwise vacated, Ethnobotanica will keep these personnel files in case they are needed in the future.

Ethnobotanica also conducts a thorough background check on all employees. This includes a criminal background check done by a third party, extensive google search, and review of social networking sites. The background check not only ensures that our employees do not have a criminal history, but that there are not indications which would lead us to believe there is threat of diversion or other criminal activity.

Signage

Ethnobotanica shall post a sign at the front entry, at the reception window, and on the door leading to the dispensary floor;

“Persons under the age of 18 are not allowed in the dispensary except when accompanied by his/her parent or legal guardian”,

And a sign which states;

“No Consumption of Medical Cannabis Allowed on Dispensary Property”.

Ethnobotanica will also post at the dispensary counter, and in a place where

“Please respect your right to use medical Cannabis. Use your medicine in a safe, private location. Driving under the influence of Cannabis or using Cannabis in a car, whether driving or not, is unsafe and illegal.”

Limitations on Use

To further communicate our complete understanding of the conditions required for the approval of the Minor Use Permit Application, Ethnobotanica hereby states its intentions to comply with the following “limitations on use”, as described in 22.30.225(C)(2), unless which time the County may permit such uses:

- Ethnobotanica shall limit its hours of operation to between the hours of 11 a.m. and 6 p.m.
- Ethnobotanica shall not employ any person under the age of 21
- Ethnobotanica shall not engage in the sales of paraphernalia , as defined by California Health and Safety Code 11364.5
- Ethnobotanica shall not allow any person under the age of 18 onto the dispensary property unless accompanied by their parent and/or legal guardian
- Ethnobotanica shall not cultivate any medical Cannabis on dispensary property

Summary Business Plan

for a

Medical Cannabis Dispensary

at

2122 Hutton Rd, Nipomo

Stephanie A. Kiel

Executive Director, Ethnobotanica
2122 Hutton Rd, Suite C
Nipomo, CA 93444
(831) 706-5975

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Executive Summary

San Luis Obispo County needs a medical Cannabis dispensary. An estimated 1.5% of Californians are believed to have recommendations to use medical Cannabis (ProCon.org, 11/13/14). If this number is applied to the population of San Luis Obispo, which tends to be a politically centric county, then there are roughly 4147 medical Cannabis patients in the County. The only way for these patients to obtain their medication currently is through one of the 29 delivery services in the county.

The problem is, delivery services are not regulated. There is no oversight to these collectives at all. As one of these delivery services, we are highly troubled by that fact. We know, being involved in the culture of the industry, through conversations with other managers, employees, and patients of our competitors, that many of these delivery services are individuals or organizations who are not ready to properly represent our industry. These are the organizations that do not maintain compliance records, are not caring for those members most in need, and do not pay their taxes. These are the very circumstances that give our industry a bad name, and perpetuate the continued perceptions that medical Cannabis is something to be leery of. These are the organizations that have been able to thrive due to the lack of regulation that still exists despite voter approved for medical use 20 years ago.

This “business plan” is rather basic. In all honesty, in my experience, this industry changes so fast and so frequent, that if I were to spend a hundred hours working on a 50 page business plan, by the time I was finished it would be irrelevant. This “business plan” is not required by the Minor Use Permit, but is meant to supplement the Security Plan with information which might be helpful in getting a better picture of our business and expectations of the dispensary. These pages, along with the Security Plan, are intended to show the reader that we are confident, capable, and can be trusted to take on the task of opening the County’s only dispensary, and that we will make sure it is done to the highest standards.

Ethnobotanica is a strong organization. We are staffed by people who have been in the industry since its inception. We are people who are honest, hard-working, caring, and compassionate. We are people who live and breathe this industry. We are people who believe in, and depend on this industry, and want to do everything in our power to be sure it is a force for good in the local community.

Ethnobotanica has everything we need to open this dispensary. We have the staffing, desire, products, capital. The only thing we don’t have yet is the permit to get started.

SLO County needs a medical Cannabis dispensary, and we are the organization you have been waiting for.

Stephanie Kiel
Executive Director
Ethnobotanica

General Company Description

Ethnobotanica is a medical marijuana collective serving greater San Luis Obispo County. This business plan specifically addresses the business activities at a proposed dispensary at 2122 Hutton Rd, Nipomo, California.

Ethnobotanica is a medical Cannabis collective as defined under California Health and Safety Code 11362.775. In 2007, Ethnobotanica began as a small collective of a dozen patients seeking to consolidate their collective efforts in accordance with California law, by creating a business structure to facilitate the transactions between those patients. In 2009, Ethnobotanica incorporated as a non-profit cooperative, later reincorporating as a Mutual Benefit Non-Profit Corporation. Since then, Ethnobotanica has accepted members who have a physician's recommendation to use medical Cannabis. Ethnobotanica is now the largest medical Cannabis collective service serving San Luis Obispo County.

Ethnobotanica currently maintains over 25 employees. These employees are paid well, and receive vacation pay and healthcare benefits. Ethnobotanica also maintains a program to help our employees pay for community college classes and materials. Ethnobotanica will be using the MIT living wage calculator (livingwage.MIT.edu) to assure that our employees are receiving a real living wage for San Luis Obispo County. Training is provided to assure our employees have the skills necessary to care for our members in the most compassionate and educated way possible.

Ethnobotanica will continue to serve our members with a variety of medical Cannabis products, described herein. These products will be carefully scrutinized to assure they are of the highest quality will be lab tested to assure potency and safety.

The medical Cannabis industry, while small in scale, is currently the fastest growing industry in the country. A recent report, published by ArcView Market Research and sponsored by the National Cannabis Industry Association, estimates the medical Cannabis industry at 980 million dollars. While all medical Cannabis businesses in California are required to be not-for-profit, as Ethnobotanica is incorporated, the value of the industry is important in realizing the potential for medical Cannabis to blossom into a larger industry.

Regulation is much needed in California. While regulation is currently left to cities and counties, Ethnobotanica expects California to implement a regulatory scheme controlled by a state agency, such as the California Health Department, by 2016.

Ethnobotanica is prepared for regulation. We use software which is continually updated to comply with existing regulations in states with more thoroughly regulated Cannabis markets, such as Washington and Colorado, and that is updated as regulations change within the State of California. This software enables Ethnobotanica to currently operate as if it were in a highly regulated market, with detailed records and accounting of all financial data and medical Cannabis inventory.

Ethnobotanica actively supports political groups and legal advocates which would further regulation by state agencies. Ethnobotanica is a member of the National Cannabis Association, California Cannabis Industry Association, California Farm Bureau, Better Business Bureau, Americans for Safe Access, and the Marijuana Policy Project. Ethnobotanica sends staff to many national and state conferences held by these organizations and others. Membership with those organizations, and attendance to those conferences, ensures Ethnobotanica and its staff are kept up-to-date regarding policy trends and industry best practices.

Ethnobotanica files all legally required documents and pays all legally required taxes that any other business is required to pay. This includes paying all employees on payroll, filing and paying sales tax on all transactions, and filing and paying state and federal income taxes. Ethnobotanica is not-for-profit, and registered and active with the California Secretary of State as a Mutual Benefit Non-Profit Corporation.

Mission Statement

Ethnobotanica shall provide a reliable source of lab tested and Clean Green certified (organic) medical Cannabis to patients in San Luis Obispo and assure that those with debilitating and terminal illnesses have access to discounted or free Cannabis medication, in accordance with California State Law.

Company Goals and Objectives

It has been a goal of Ethnobotanica, and for thousands of medical Cannabis users in the area, to see a medical Cannabis dispensary open in San Luis Obispo County. Ethnobotanica would be honored to open and maintain the Central Coasts only medical Cannabis dispensary in a manner which will set an example for how a medical Cannabis dispensary can be a positive benefit to the community.

Business Philosophy

The Patient is always first – Care for our patients, and everything else will fall into place. Since our inception, Ethnobotanica has always thrived on the personal relationships and attentiveness to their needs. If we are committed to taking care of our patients, our patients will care for us.

Fight the Good Fight – Ethnobotanica will always stand up for our members and business when we believe what we are doing is right and just. That may mean going to jail, it may mean losing the shirt off our back, but when the day is done, we will know we did the right thing and stood up for what we believed in.

Be Flexible – The industry changes on a day to day basis, from local to federal law, local ordinances, state regulatory proposals, ballot initiatives, news stories, and on, we must always adapt to the industry and law as it changes, and change what we can to make things better.

Keep Things Fun - Too often in this business, we watch patients suffer and members pass. Our members don't need to be treated like they are reject outcasts. They need a smile, they need a laugh, and they need a friend. Some people, who don't understand medical Cannabis, ridicule Cannabis use and the people who choose to use it. We don't need to take it. Laugh about the size of your "doobie" or that "stinky purple

weed". Just because you have fun with it doesn't mean you don't have the right, and it doesn't mean it doesn't help people, it just annoys the people we don't agree with. That's their problem, not ours.

Support the Cause – National and State laws will not change if everyone expects someone else to do the hard work. Ethnobotanica will always support those organizations which fight for our rights on levels out of our reach, and we will fight for those rights when we have the opportunity.

Our Competitors are Our Friends – Competitors don't need to be our enemies. We may have different philosophies about how to run our businesses, but in the end, we want the same thing in the advancement of the medical Cannabis industry. When an opportunity presents itself to work with our competitors to achieve a greater goal or that would benefit our members and the community, be a partner and friend, and leave the business behind.

We Are All Equal, on a Personal Level – No person in Ethnobotanica is a better person than another, they just get paid differently and have different levels of responsibility. Any person is always free to talk to anyone else in the company, regardless of title. Don't get mad if your idea gets shut down and you'll never get in trouble for bringing it up.

Don't Be Afraid to Give Help, or Ask for It – Ethnobotanica is only as strong as our employees and members. We should not be working to be better than someone else, but working together to make sure our members are receiving the best possible care. When someone needs help, make sure you give it to them. When you need help don't be afraid to ask for it, because the person next to you wants you to succeed as much as you want them to succeed.

Expect More from People - There are always ways to improve our service to our members, improve the dispensary, improve quality of life, and improve ourselves. We will never be the best we can be if we accept only what seems possible. It is only the desire to achieve the impossible which will lead one to greatness.

Keep it Real, but Be Nice – Don't feed people bull when they need the truth. Just tell them what you think, and do it in the nicest way possible. Tell them the truth, and you will let them know you care.

Remember Where You Came From, and Where You Want to Go – Ethnobotanica, like all people, has a unique story which made it what it is today. We have goals, but likely we will be in a different place than we imagined, when we get there. By keeping things in perspective, we will have a realistic image of what it takes to accomplish our goals, and have respect for the goals of others and the road it takes to achieve them.

Products

Ethnobotanica will carry a wide range of products, all related to medical Cannabis. Most people think of Cannabis as being some kind of plant leaf, which is then smoked in marijuana cigarettes. However, medical Cannabis products come in a wide variety of forms; to help with different conditions, to accommodate different use preferences, and to have different physical and mental effects.

Below is a description of the main types of Cannabis products:

Cannabis Flowers

Many storefront dispensaries will carry as many as 50 different varieties of Cannabis flowers. Ethnobotanica currently carries a maximum of 16 in our delivery service. This is the standard form that many people think of when they think of “marijuana”. The main down side to Cannabis flowers is that when smoked, Cannabis produces “tar” and contains known carcinogens. Tar is a generic term for fats and waxes in Cannabis and other plants that, when smoked, are not adsorbed by the lungs. While long term use of smoked Cannabis has been found to increase minor lung irritation, including coughing, wheezing, and inflammation (Howden & Naughton, 2011), occasional or intermittent use does not have an adverse effect on the lungs (Pletcher et al., 2012). Additionally, several large studies have failed to show any correlation between smoking Cannabis and lung cancer (Rosenblatt et al, 2004; Mehra et al, 2006; Tashkin, 2013). In fact, THC has been shown to reduce lung cancer cell growth by 50% (Tashkin, 2006). Cannabis can be vaporized with special devices which bring the temperature of the Cannabis up only enough to vaporize the Cannabinoids into gaseous form, without burning the plant material and tars. The main benefit to using smoked Cannabis as a medicine is that the effects are felt immediately, allowing the user to obtain immediate relief from a condition and to titrate dosage very easily to control negative, but temporary, mental side effects. The effects generally last from two to three hours and are more predictable than ingesting Cannabis orally.

Edible Cannabis Products

Edibles present the primary alternative to those who do not wish to inhale Cannabis smoke or vapor. Edibles come in a wide variety of forms, including tinctures, sodas, chocolate, muffins, brownies, candies, crackers, ect. The main benefit to using edibles is that it bypasses the pulmonary system completely. Edibles are more potent per unit of Cannabinoid than inhaled Cannabis, since some of the Cannabinoids are destroyed when heated for inhalation. Another notable difference is that the effect of this orally ingested form of Cannabis can take up to two hours to realize, and can last as long as eight hours. While potency is titrated batch to batch, several other factors can influence the effect and duration of the edible, such as how much food is in the patient’s stomach at the time of ingestion, how much sleep the patient has had, the tolerance level of the patient, etc. Benefits of edible Cannabis also include: ease of use in places which might be inappropriate to smoke Cannabis; the reduced need for frequent consumption; the additional calories consumed for those losing weight due to their illness and the fact that the medical benefits can last through a night if a patient needs relief in order to get a good night’s sleep.

Concentrated Cannabis

In recent years, concentrated cannabis products have seen a surge in popularity. Cannabis concentrates have the benefits of both edibles and smoking Cannabis. Concentrated Cannabis is the concentrated Cannabinoids from the Cannabis leaves and flowers, through means of solvent extraction. The solvent is then removed from the concentrate, by mechanical separation using temperature and filtration. Because these concentrates contain little to no plant material, they do not contain the tars and carcinogens that Cannabis flowers contain. This allows the user to inhale the product without the potential for damage or lung irritation caused by smoking Cannabis, one of the main reasons for edible consumption. The effects are immediate and easy to titrate.

Topical Cannabis products

Topical products, such as balms and lotions, are used primarily to treat localized relief of pain associated with various conditions. Using balms greatly reduces or completely eliminates the mental side effects of Cannabis. This often enables the patient to use the Cannabis for localized treatment when they may not otherwise be able to medicate, such as at work.

Marketing Plan

Members

Patient-Members include any person who have obtained, in writing, a recommendation to use medical Cannabis from a state licensed physician or doctor of osteopathy. We do not further identify a demographic within this group, since there is no real direct competition for a storefront dispensary in San Luis Obispo County at this time, and definitely not such that there is a need to identify a target demographic for marketing purposes. People who use medical Cannabis span every age (and occasionally children and minors, in the rarest of circumstances), race, creed, color, nationality, sex, preference, and political ideology.

Competition

Since medical Cannabis storefronts generally carry the same or similar products, competition is based on location, except in those few places where medical Cannabis dispensaries flourish.

Currently, there is no “direct” competition, in that there are no other storefront dispensaries in the Counties of either San Luis Obispo or Santa Barbara. Due to the growing acceptance of medical Cannabis, we do expect other medical Cannabis businesses to open in both the Counties of San Luis Obispo and Santa Barbara over the next five years, albeit with limited locations. However, a growing population of medical Cannabis patients, familiarity with our dispensary, positive relations with patients, and distance between medical Cannabis dispensaries in a future hypothetical model, will all enable the location at Nipomo to be successful and financially feasible for at least the next five years.

The only competition to a dispensary in Nipomo is the large number of delivery services which serve the County and cities within the County. These delivery services will likely retain some membership within the County. The greater the distance from the dispensary, the less consistently visiting members we will likely see from those areas. A good example would be that 75% of medical Cannabis patients from the five-cities area may defer membership from delivery services to Ethnobotanica’s Nipomo Dispensary, 50% from the City of San Luis Obispo, and only 25% from north county.

Niche

While Ethnobotanica has not focused on creating a niche, our drive for openness, our sense of community, and our desire to make sure our patients have access to the safest medication possible has allowed us to stand out amongst the 29 delivery services in San Luis Obispo County. Ethnobotanica is one of two collectives in the county who lab test their medication, and the only one who keeps all product test results current. We are the only certified Clean Green (organic) collective in the County and one of only a few dozen in the state. We are the only collective in the County who is a member of both the California Industry Association, and National Cannabis Industry Association. Ethnobotanica is the only medical Cannabis collective in the state who is a member of the California Farm Bureau. Ethnobotanica has an A rating with the Better Business

Bureau. Ethnobotanica also has the largest compassionate use program in the counties we work, consisting of nearly 10% of our membership. We provide the opportunity for healthcare to all employees, even though Ethnobotanica is exempt from the Affordable Health Care Act. Unlike many collectives in the county, we pay all employees on payroll and pay sales and income taxes. All employees receive at least two weeks paid vacation. While these types of attributes may seem common in other sectors, they are not in the local Cannabis Industry. These attributes define Ethnobotanica as a reputable collective, which will help buffer future competition with less reputable standings.

Compassionate Use Program

Ethnobotanica has the largest compassionate use program in the County, and the only collective which we know of that has a program which is advertised. Our Compassionate Discount Program gives automatic discounts of up to 15% for those who show proof of disability or veterans benefits. Other patients may apply to the program with submission of medical documents and financial information to show both need and low income status. These patients receive assistance on a sliding scale from 20 to 100%. All Compassionate Discount Members are closely tracked to assure the quantities of use do not signal diversion.

In addition to the discounts, Ethnobotanica makes custom products for certain Compassionate Discount Members with specific needs. These custom products are developed with staff to treat specific symptoms and conditions. We have successfully extended and improved the lives of many of our members through this program.

Strategy

Ethnobotanica will use our consistent reputation as a high quality, compassionate, Clean Green Certified, and lab-tested collective to serve our members with the highest degree of competency. Ethnobotanica will define the location in Nipomo as a “destination” dispensary, with the goal of making sure it is “worth the trip” for members from around the County. Ethnobotanica will provide a relaxed, comfortable dispensary that doesn’t make members feel rushed. This strategy will enable us to retain a large membership if others open within the County in the coming years. A large selection of Cannabis and Cannabis products and professional consultation services will be provided to ensure that members leave satisfied that all of their medical Cannabis needs have been served with the highest degree of confidence.

Promotion

Ethnobotanica will let patients know of our services through a combination of print media, internet marketing, and social media.

Print media, specifically advertising in the local weekly papers, namely New Times, has thus far served the industry well. New Times currently has an entire page devoted to medical Cannabis delivery services. We will continue to print, with changes reflecting our dispensary location, a ¼ page add in the New Times Weekly to let patients know of the storefront location.

Many websites have been developed as “location finders”, which are specifically tailored for medical Cannabis collectives. Weedmaps.com and Leafly.com are the largest websites devoted to assisting patients in finding medical Cannabis dispensaries and delivery services. Ethnobotanica currently advertises on both of these websites and others, and will continue to do so, being the only dispensary located in San Luis Obispo County.

Pricing

Ethnobotanica’s prices are set by calculating expenses related to medical Cannabis and the collective business operations. This does not mean that Ethnobotanica cannot “sell” medical Cannabis, as some might suggest. As part of California law, California Health and Safety Code 11362.775, Ethnobotanica and all other collectives, are protected from prosecution for the sale of medical Cannabis, when done so collectively. This is also clear by the standards of the California Board of Equalization, which requires that medical Cannabis businesses hold a Sellers Permit and pay sales tax on all transactions, which we have done since our inception.

Ethnobotanica, through years of experience, has found that a markup of 65% effectively covers all operating expenses and budgets for growth expenditures. This number may seem high to someone not familiar with the industry, but even with that markup, Ethnobotanica has no profit. Any excess operating capital is reinvested into the business or applied to the Compassionate Discount Program. Medical Cannabis businesses have extremely high payroll costs due to the high proportion of compliance and security related staff compared to other retail type businesses. A much higher wage is provided to employees in the medical Cannabis industry compared to other retail type businesses to avoid security issues related to high turnover rates. Landlords demand a premium on rents, due to the perceived high-risk nature of owning property which contains a collective. Many of the professional services, including lab testing and software programs demand a premium due to the tailored nature of those services for a specific industry which carries high risk. In relation to the proposed dispensary, Ethnobotanica also budgets for expenses related to growth, since standard bank loans and investment are generally not available due to federal banking restrictions and the non-profit model associated with legal operation. The resulting price, paid by members, is slightly lower than other collectives around the state and country when considering both our organic certification and consistent lab testing.

Financial

Unlike other collectives who have applied for a medical Cannabis dispensary permit in the past, Ethnobotanica has operated as a medical Cannabis collective for over 5 years. This enables us to have real data to back up our sales forecasts and expenses. From past data, estimates provided by consultants, and known future expenses, Ethnobotanica can provide accurate projections.

Ethnobotanica's forecasts use existing data from the past three years of operation. Adjustments have been made to account for differences between operating a delivery service versus a storefront dispensary, such as no mileage for delivery drivers, ability of a single dispensary clerk to carry out more transactions per hour versus delivery, addition of security staff, additional rent and utilities, etc.

Many of the expenses required for the minimum expected revenue have the capacity for much higher sales. For this reason, you will notice that many of the costs do not go up, or go up at a lower rate than others. One exception to this is the cost of products. The cost of products will go up disproportionately as Ethnobotanica uses its high gross sales to purchase products with a lower margin.

Startup Expenses

As Ethnobotanica is currently operating as a medical Cannabis collective, startup expenses will generally be limited to the design and build of the physical dispensary.

Current staff levels will be appropriate for opening the dispensary, with the exception of security staff. Ethnobotanica has two office staff, four "dispensary clerks" (now dispensing through delivery), and a manager on staff at all times. Those positions are filled in rotation by three office staffers, six dispensary clerks, an assistant manager and a general manager. Full time security guards maintained by a private security contractor will be hired well in advance of opening to accommodate the need for those positions.

Likewise, current inventory will be sufficient for Cannabis inventory requirements once opening the dispensary. As membership grows and Ethnobotanica requires more medical Cannabis and products, we will begin to accept member-vendors. Ethnobotanica is consistently turning away potential sources of member-grown medical Cannabis, from members which we have ongoing relationships with. Taken on consignment, member-grown medical Cannabis has no up-front cost for the collective.

Design and build of the dispensary will be the primary expense related to the start-up of the business. Ethnobotanica has consulted with Sands Studio, which won multiple design awards for their work on the San Francisco Patient and Resource Center, a medical Cannabis dispensary. After receiving a proposed layout of the facility, an estimated combined construction and design cost for an equivalent to the award-winning dispensary "turnkey" design of the proposed dispensary, including furnishings, is \$200,000.

Security will also be a significant expense for the dispensary. Ethnobotanica has budgeted \$55,000 for equipment and installation of video surveillance, alarm sensors, access controls, safe, and reinforcement of the secure storage area.

Capitalization

Ethnobotanica we be well capitalized to fund the opening of the dispensary. The bulk of the funding will be from a \$300,000 business loan. Repayment of this loan is included in the dispensary budget. Ethnobotanica also has a current operating reserve of \$25,000 per month, which will cover all expenses related to payroll and inventory growth at the dispensary. Inventory will be applied as assets of the ongoing collective are transferred to the dispensary immediately prior to opening. Below are the “break even” figure of 1.8 million, and the estimated 5 million annual gross.

Dispensary Budget		
Gross Income	\$ 1,800,000.00	\$ 5,000,000.00
Expenses		
Rent	\$ 120,000.00	\$ 120,000.00
Human Resources, incl payroll taxes	\$ 600,000.00	\$ 1,200,000.00
Advertising & Marketing	\$ 40,000.00	\$ 40,000.00
Office Supplies	\$ 11,000.00	\$ 26,000.00
Computer and Internet Services	\$ 14,000.00	\$ 30,000.00
Loan Repayment	\$ 9,706.00	\$ 9,706.00
Dues and Subscriptions	\$ 20,000.00	\$ 40,000.00
Dispensary Supplies	\$ 30,000.00	\$ 60,000.00
Phone expenses	\$ 10,000.00	\$ 15,000.00
Legal	\$ 10,000.00	\$ 10,000.00
Postage and Delivery	\$ 1,000.00	\$ 2,000.00
Printing and Reproduction	\$ 2,000.00	\$ 4,000.00
Lab Testing and Professional Fees	\$ 24,000.00	\$ 60,000.00
Taxes and Licensing	\$ 10,000.00	\$ 25,000.00
Utilities	\$ 6,000.00	\$ 10,000.00
Education and Training	\$ 30,000.00	\$ 60,000.00
Medical Cannabis Products	\$ 600,000.00	\$ 2,000,000.00
Health Care	\$ 52,000.00	\$ 70,000.00
Security	\$ 120,000.00	\$ 240,000.00
Compassion Program	\$ 45,000.00	\$ 120,000.00
Total Expenditures	\$ 1,754,706.00	\$ 4,141,706.00
Operating Reserves (future expenses)	\$ 45,294.00	\$ 858,294.00

A MINOR USE PERMIT FOR: ETHNOBOTANICA NIPOMO, CALIFORNIA

PROJECT DESCRIPTION

A 2,636 S.F. TENANT IMPROVEMENT WITHIN AN EXISTING 11,675 S.F. BUILDING. THE INTENDED USE IS FOR A MEDICAL MARIJUANA DISPENSARY AS DEFINED IN HEALTH AND SAFETY SECTION 11362.5 (PROPOSITION 215). A FACILITY WHERE MARIJUANA IS MADE AVAILABLE FOR MEDICAL PURPOSES.

DIRECTORY

<p>OWNER: ETHNOBOTANICA 1961 MAIN ST. 239 WASTONVILLE, CA 95076 TEL: 805-550-6687 REP: RYAN BOOKER EMAIL: RYAN.B@POTDELLI.ORG</p>	<p>ARCHITECT: MW ARCHITECTS, INC. 225 PRADO ROAD, SUITE G SAN LUIS OBISPO, CA 93401 TEL: (805) 544-4334 FAX: (805) 544-4330 REP: WAYNE STUART EMAIL: waynes@mwa.bz</p>
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SECURITY CONSULTANT: SENTINEL SECURITY SOLUTIONS INC.
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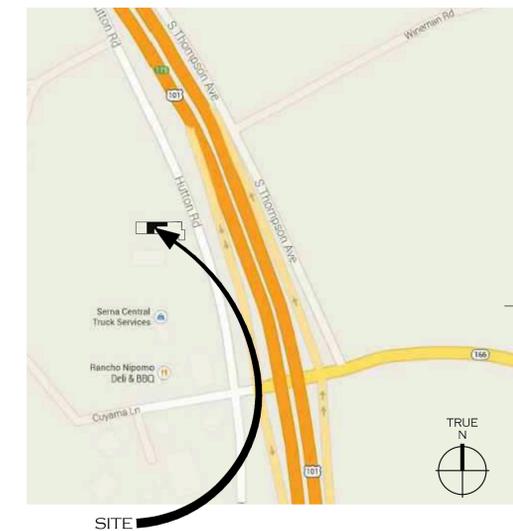
SITE SUMMARY

LEGAL DESCRIPTION: 2122 HUTTON ROAD, NIPOMO CALIFORNIA
APN: 090-301-064
LOCAL ZONING: COMMERCIAL SERVICE
ADJACENT USE: NORTH: VACANT
SOUTH: BUTTOWILLLOW WAREHOUSE COMPANY
EAST: ADJACENT OFFICES (WITHIN SAME BUILDING)
WEST: ADJACENT WAREHOUSE AREA (WITHIN SAME BUILDING)
PROPOSED USE: MEDICAL MARIJUANA DISPENSARY
EXISTING USE: OFFICES
GROSS BUILDING AREA: 11,675 S.F.
PROPOSED IMPROVEMENT AREA: 2,636 S.F.
PARKING REQUIREMENTS:
• PARKING LOT AND HANDICAP SPACES ARE EXISTING

LIMITATION ON USE

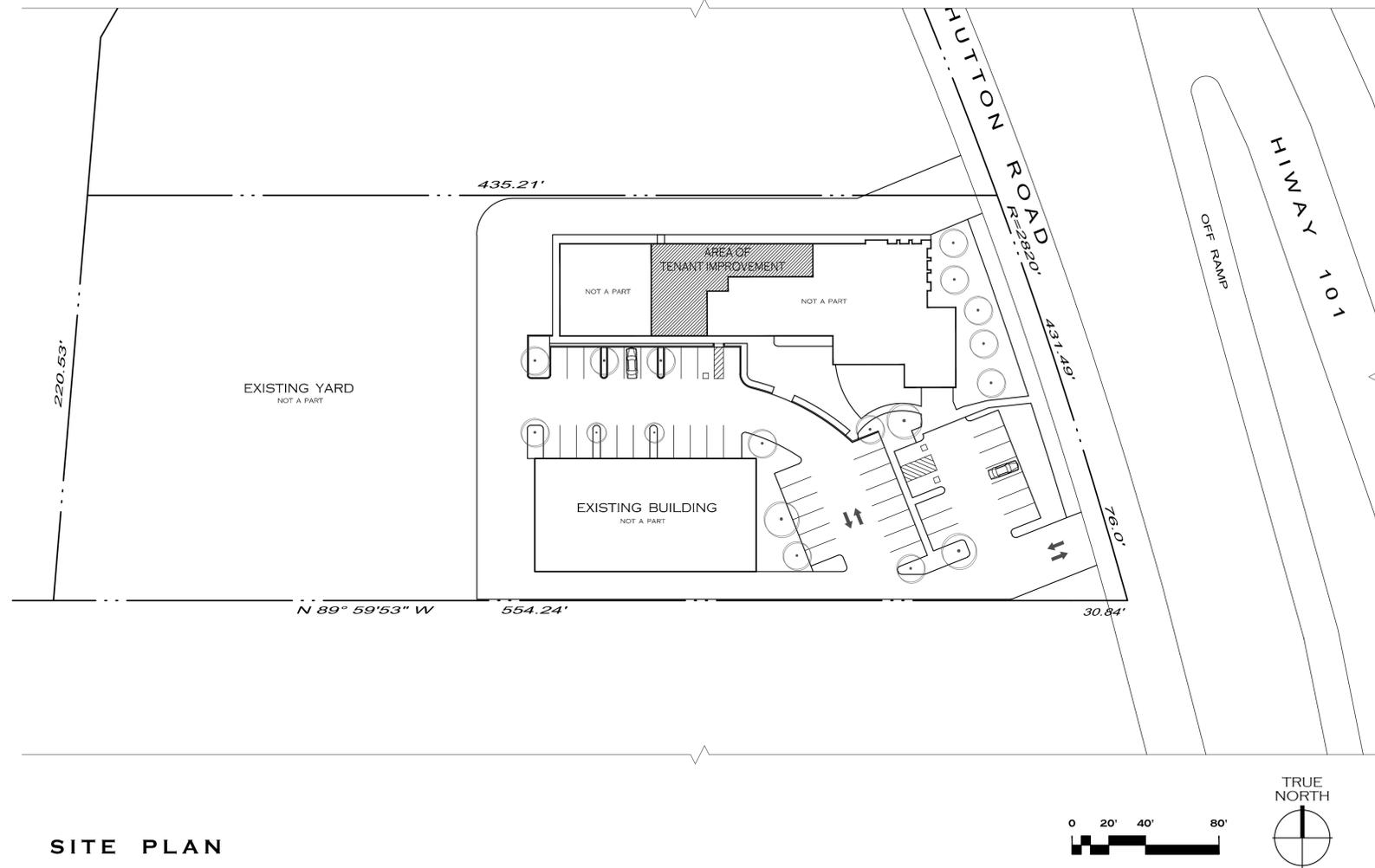
- HOURS OF OPERATION ARE LIMITED TO 11:00am TO 6:00pm SEVEN DAYS A WEEK.
- NO PERSON UNDER THE AGE OF 18 SHALL BE PERMITTED IN THE DISPENSARY AT ANY TIME EXCEPT IN THE PRESENCE OF HIS/HER PARENT OR GUARDIAN.
- NO RETAIL SALES OF PARAPHENALIA AS DEFINED IN HEALTH AND SAFETY CODE 11364.5 ARE PERMITTED AT THE DISPENSARY.
- NO CULTIVATION OF MEDICAL MARIJUANA IS PERMITTED AT THE DISPENSARY OR ON DISPENSARY PROPERTY.
- EMPLOYEES: ALL STAFF/EMPLOYEES EMPLOYED BY THE MEDICAL MARIJUANA DISPENSARY MUST BE 21 YEARS OF AGE OR OLDER.
- NO CONSUMPTION OF MEDICAL MARIJUANA ALLOWED IN THE VICINITY OF THE DISPENSARY.

VICINITY MAP



SHEET INDEX

DP1	TITLE SHEET / SITE PLAN / PROJECT SUMMARY
DP2	FLOOR PLAN / BUILDING SUMMARY
DP3	SECURITY SYSTEM PLANS
TOTAL:	3 SHEETS



SITE PLAN



MW ARCHITECTS



ARCHITECTS:
MICHAEL C. PEACHEY
WAYNE R. STUART
225 PRADO ROAD, SUITE G
SAN LUIS OBISPO, CA 93401
TEL: (805) 544-4334
FAX: (805) 544-4330
E-MAIL: MWA@MWA.BZ

**A MINOR USE PERMIT FOR:
ETHNOBOTANICA
CANNABIS DISPENSARY
2122 HUTTON ROAD
NIPOMO, CALIFORNIA**

JOB TITLE

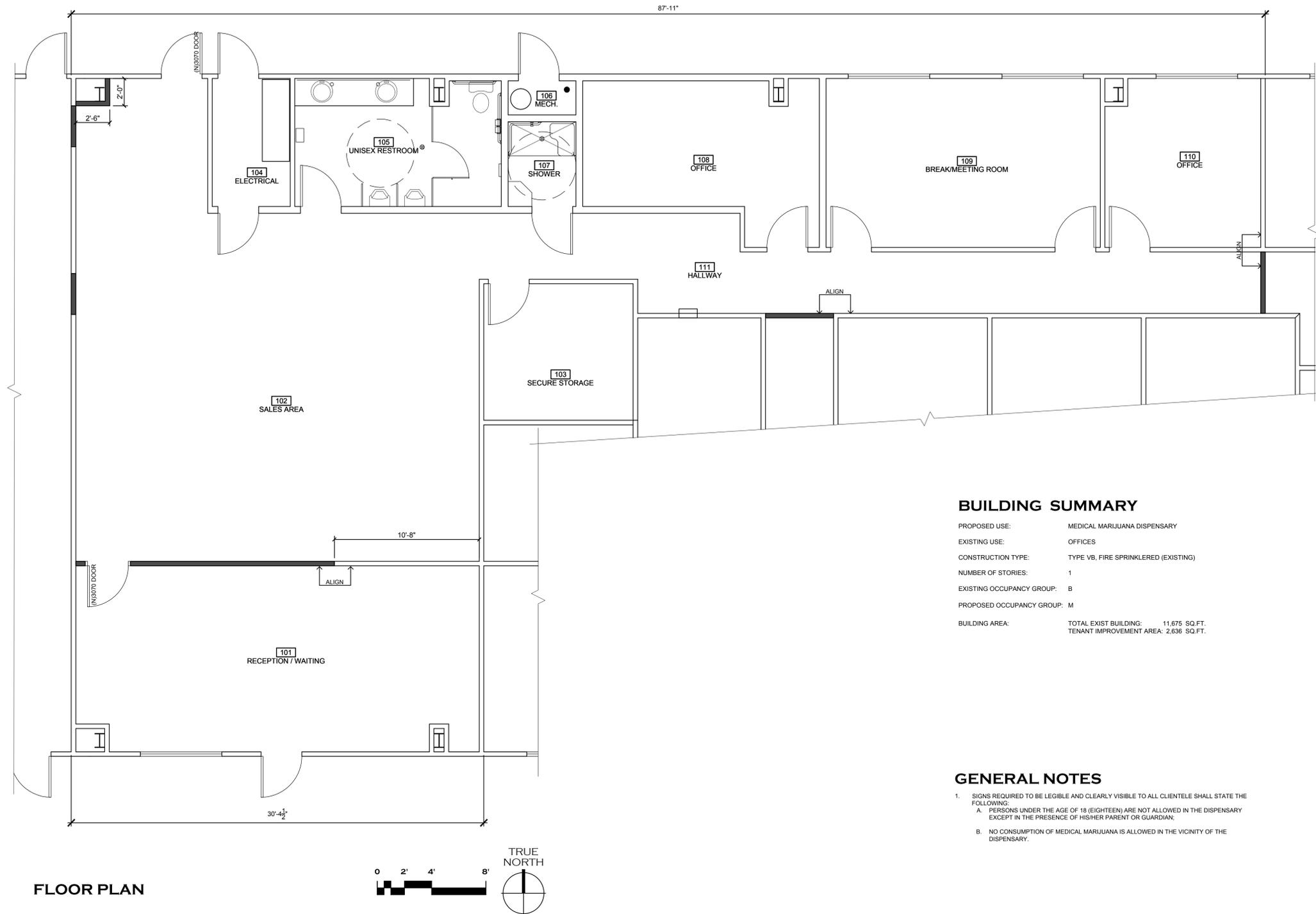
TITLE - SITE PLAN SHEET

SHEET TITLE

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REVISIONS

JOB NUMBER 14478	SHEET NUMBER DP1
DATE 12/18/2014	
APPL. NO. --	



FLOOR PLAN

BUILDING SUMMARY

PROPOSED USE:	MEDICAL MARIJUANA DISPENSARY
EXISTING USE:	OFFICES
CONSTRUCTION TYPE:	TYPE VB, FIRE SPRINKLERED (EXISTING)
NUMBER OF STORIES:	1
EXISTING OCCUPANCY GROUP:	B
PROPOSED OCCUPANCY GROUP:	M
BUILDING AREA:	TOTAL EXIST BUILDING: 11,875 SQ.FT. TENANT IMPROVEMENT AREA: 2,636 SQ.FT.

GENERAL NOTES

1. SIGNS REQUIRED TO BE LEGIBLE AND CLEARLY VISIBLE TO ALL CLIENTELE SHALL STATE THE FOLLOWING:
 - A. PERSONS UNDER THE AGE OF 18 (EIGHTEEN) ARE NOT ALLOWED IN THE DISPENSARY EXCEPT IN THE PRESENCE OF HIS/HER PARENT OR GUARDIAN.
 - B. NO CONSUMPTION OF MEDICAL MARIJUANA IS ALLOWED IN THE VICINITY OF THE DISPENSARY.



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A MINOR USE PERMIT FOR:
**ETHNOBOTANICA
CANNABIS DISPENSARY**
2122 HUTTON ROAD
NIPOMO, CALIFORNIA

JOB TITLE

FLOOR PLAN

SHEET TITLE

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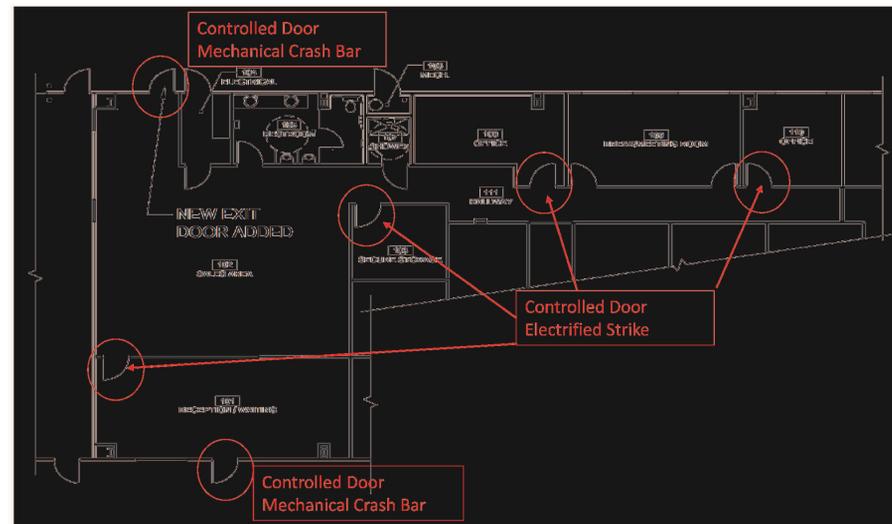
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14478

DATE
12/18/2014

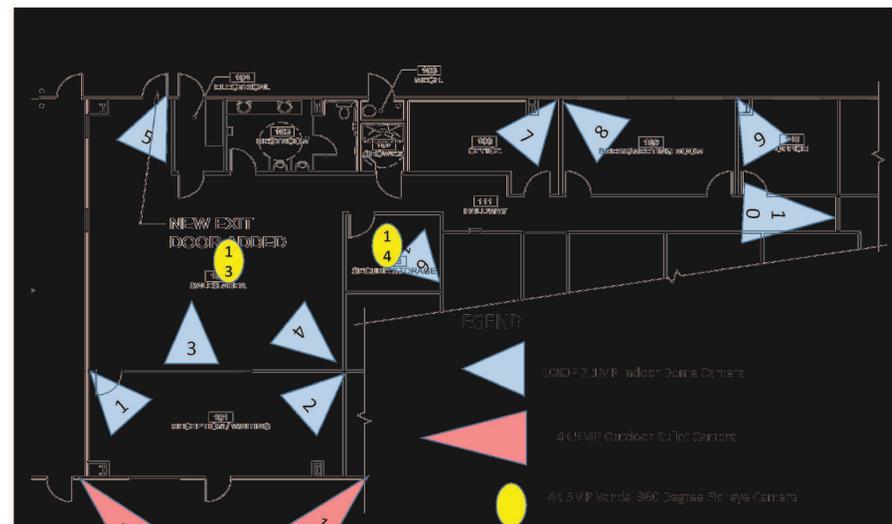
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SHEET NUMBER

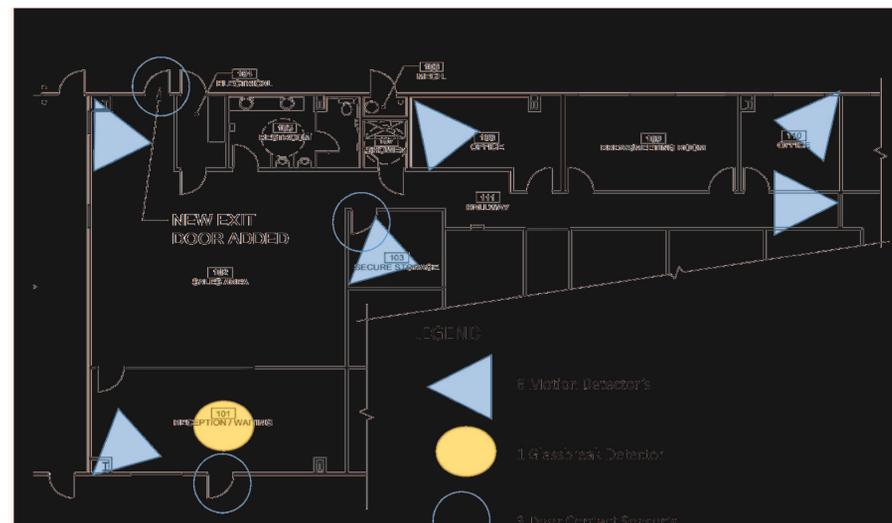
DP2



ACCESS CONTROL PLAN
NOT TO SCALE



HD CAMERA LAYOUT
NOT TO SCALE



ALARM SYSTEM PLAN
NOT TO SCALE

GENERAL SECURITY NOTES

1. THE SECURITY SYSTEM SHALL INCLUDE STORAGE FOR A MINIMUM OF THIRTY BUSINESS DAYS OF SURVEILLANCE VIDEO (THAT CAPTURES BOTH INSIDE AND OUTSIDE IMAGES) STORED ON AN ONGOING BASIS.
2. THE VIDEO SYSTEM FOR THE SECURITY CAMERAS MUST BE LOCATED IN A LOCKED, TAMPER PROOF COMPARTMENT.



MW ARCHITECTS



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A MINOR USE PERMIT FOR:
**ETHNOBOTANICA
CANNABIS DISPENSARY**
2122 HUTTON ROAD
NIPOMO, CALIFORNIA

JOB TITLE

SECURITY PLAN

SHEET TITLE

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REVISIONS

JOB NUMBER
14478

DATE
12/18/2014

APPL. NO.

SHEET NUMBER

DP3



Official Proposal for Service

Attention: Ethnobotanica

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Cover Letter

Thank you for allowing Bomar Security the opportunity to submit a proposal for security services for Ethnobotanica. After reviewing this proposal we are confident that you will see the benefits of partnering with Bomar Security. The information in this proposal will not only give you insight into the background of Bomar Security, but will also identify what sets us apart from other companies in our industry.

Our commitment is to provide you with first class security services. Through the implementation of customized security services, real time reporting via BomarTrac issue monitoring, regular account audits, and our commitment to quality assurance, you can expect us to be an active partner in the safety and security of your property.

Once again we would like to thank you for considering Bomar Security. We are excited about the opportunity to partner with you and look forward to adding Ethnobotanica to the growing list of satisfied Bomar Security clients. I am available any time and would be glad to answer any questions you may have.

Mike Garripee
District Manager
Bomar Security & Investigation
(805) 928-5222
mike@bomarsi.com

Company History & Background

Bomar Security & Investigation was incorporated in the State of California, June 1981. Bomar Security & Investigation is a local security contract company. We have a management support staff that would rival a company with double the number of security officers. Our corporate headquarters is within the Central Coast, allowing the President of the company and top-level managers to be readily available to answer client concerns and resolve problems as they occur.

As you will see while reading this proposal, we are innovative, aggressive in our attempts to obtain the goals we have defined, always seeking further knowledge, and always challenging ourselves to achieve a higher level of success. Our goal is professionalism and our greatest strength is that we are dedicated to reaching it.

Within this corporation, we have staffed offices in Santa Maria (HQ), San Luis Obispo, and Santa Barbara.



Core Services

- Unarmed & Armed Security Officers
- Mobile Patrols
- Parking Management
- Video Surveillance as a Service
- 24 Hour Dispatch



Core Values

It is an often-quoted saying at Bomar Security & Investigation that the fundamental key to our business success is our effective and creative management. Through policies and procedures, staff managers must have the ability to lead and formulate a company environment where each employee's internal motivation can flourish. Management understands that in order to provide total quality service to all of our clients, we must provide total quality support to our employees.

As a service organization, our personnel are well trained, supervised and specifically selected for each client. A challenge to all of us, and one that is met successfully each day

Bomar Security & Investigation's philosophy is simple, "**Professionalism in every area.**" This philosophy is in every aspect of the company. The company's size, our experienced management, and a commitment to total customer satisfaction give Bomar Security & Investigation an excellent position in the market.

We are committed to leading the local "Private Security" industry by our **integrity, innovation, training, client satisfaction, and financial strength.** We respect our competitors and other related businesses, which, in mutually rewarding relationships, contribute greatly to our desired success.

Recruitment and Hiring Process

Selective Recruiting Less than 50% of those who apply for employment are even considered. The first step to effective performance is the selection of personnel who meet the specified qualifications required for security guard.

Criminal Record & Drug Screening Our current pre-employment process includes in-depth interviews by a trained personnel specialist, background investigations, and criminal record checks by our staff investigators.

Police/Fingerprint/License Finally, they must pass the Bureau of Security & Investigative Services (BSIS), FBI and DOJ, fingerprint, and license statements. It is understood that if an applicant has recently moved to the area, police screening will be obtained from the applicant's home state. All Bomar Security & Investigation employees are routinely licensed in the jurisdiction to which they are assigned.

Schedules When possible, it is the policy of Bomar Security & Investigation to hire officers for a regular 40-hour schedule when available. While the greater portion of our officers' fall into this category, we do have a small cadre of part-time employees who fill swing shifts or special assignments. All current contractual obligations are therefore satisfied.

Taking over another Contract Security Companies contract, or when conducting a proprietary conversion, it is Bomar Security & Investigation's policy to interview and offer employment to the personnel of the client. Those individuals must also pass our pre-employment screening procedures and have the approval of the security manager.

Site Specific Training

Top Priority & Highest Concern

It is a recognized fact that training is a vital determinant in ensuring effective job performance. Therefore, training has always been of top concern and highest priority to Bomar Security & Investigation security, and a large portion of corporate resources are spent in providing continuous training for Bomar Security & Investigation employees.

Certified In-House Training Program

At Bomar Security & Investigation Security, we have our own in-house training program certified by BSIS. Every applicant is required to attend a pre-assignment training session and pass with 100%, a 45 question "Powers of Arrest" examination prior to employment. Once the applicant has completed the entry-level training, the results of his final examination will determine whether or not he will be hired. When he does become an employee, his performance is continually monitored and evaluated.

Site Specific Training

While this pre-assignment training provides a basis, it is only the beginning. Like each client's requirements are unique, so much of the specific training must take place at the job site itself. Each new Security Officer is assigned to train with a member of our supervisory staff. The new Security Officer works with the trainer until he is proficient in the performance of his duties.

Our Commitment

As you can see, Bomar Security & Investigation is committed to the concept that training is an essential element in the quest to provide professional, quality service to our clients. When required, training records of assigned personnel are available for client inspection.

Quality Management System

Purpose:

1. To establish and maintain an ongoing, systematic program of monitoring, data analysis, assessment, and comprehensive evaluation that supports continuous quality improvement.
2. To identify opportunities and develop strategies to improve delivery of services provided to customers.
3. To promote maximum active participation and commitment from all personnel (security officers, support and management) in quality assessment/quality improvement activities.

Our Quality Control division is instrumental in ensuring that our clients receive quality and professional service and that all mandated security goals and needs are met.



BomarTrac: Real-Time Reporting

Bomar Security uses an industry leading software that allows our guards to report security issues through a handheld device in real time. By using real-time reporting and paperless Daily Activity Reports, Bomar is able to:

1. Monitor the location and productivity of our guards in the field, in real-time.
2. Track and analyze security issues and data over long periods of time to deliver a tailored security service to each client's specific needs
3. Send guards task reminders and notifications while in the field
4. Notify key personnel in the event of an emergency
5. Submit detailed Daily Activity Reports with GPS and time-stamped pictures with detailed descriptions of all security and maintenance issues.



See the next page for report examples.

Daily Activity Reports

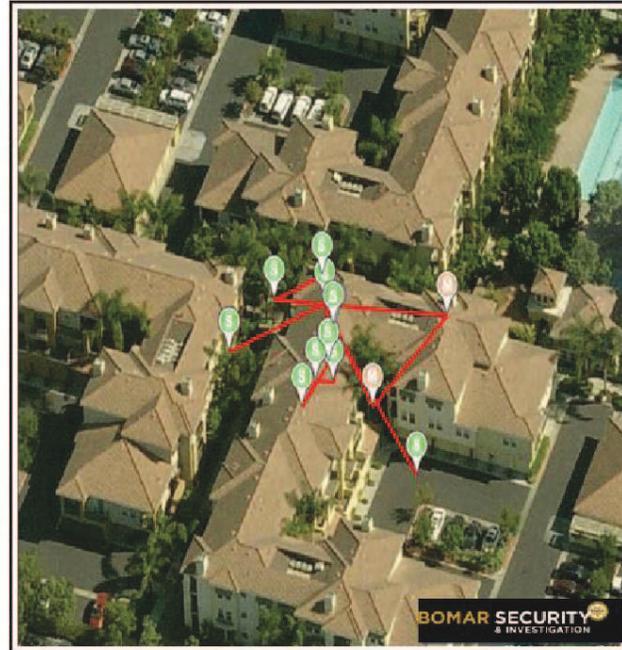
Daily Activity Report (DAR)

	7/5/2012 5:14:06 PM	DEMOADMIN - Wrong Stall Violation REPORTED: Reported Stall Number: A-13This vehicle parks in my stall every afternoon around 3:00pm. I think she works for a home based business at apartment # 422. Can you please contact her and move the vehicle please... LOCATION:		14097719
◀	6/29/2012 1:55:26 PM	DEMOADMIN - Check Volleyball Court REPORTED: LOCATION:Elevator South 1	Sec 00	13962734
	12/16/2012 2:33:23 PM	DEMOADMIN - Check Building Structure REPORTED: Security Teams: checked and secured the front doors to the leasing office. Officer found no visible signs of forced entry or vandalism at this main entrance. Officer Anderson photographed the entrance door showing deadbolt was in position and secured. LOCATION:Manager Office	Home	18154686
	12/16/2012 2:14:53 PM	DEMOADMIN - Check Leasing Office REPORTED: Courtesy Patrol Teams checked the front doors of the leasing office for any visible signs of forced entry or vandalism. Officer securing the door took 2 photographs of main door entry showing deadbolt was secured. LOCATION:Leasing Office Front	Admin 0100	18154481
	12/16/2012 1:51:48 PM	DEMOADMIN - Check Leasing Office REPORTED: Courtesy Patrol Teams checked the front doors of the leasing office for any visible signs of forced entry or vandalism. Officer securing the door took 2 photographs of main door entry showing deadbolt was secured. LOCATION:Leasing Office Front	Admin 0100	18154200
	12/16/2012 11:47:47 AM	DEMOADMIN - Check Leasing Office REPORTED: Courtesy Patrol Teams checked the front doors of the leasing office for any visible signs of forced entry or vandalism. Officer securing the door took 2 photographs of main door entry showing deadbolt was secured. LOCATION:Leasing Office Front	Admin 0100	18152942
	12/13/2012 11:25:53 AM	DEMOADMIN - Alarm Fire REPORTED: LOCATION:Hallway Floor (4)	Sec 00	18070472
Created Date		Issue Name	Unit #	Issue ID
▶	11/21/2012 11:48:31 AM	DEMOADMIN - Check Open Parking REPORTED: LOCATION:House Gym RESPONSE:Email To:billing@reelsecurity.com Email From:chris@silvertracsoftware.com Email Subject:Chris Doc... Email Body:Test... Attaching Issue with Email	Admin 0100	17486422
▶	10/17/2012 2:06:20 PM	DEMOADMIN - Check Common Ground REPORTED: LOCATION:Office 421 Building 1	Sec 00	16584036
▶	8/1/2012 3:18:50 PM	DEMOADMIN - Violation Visitor Parking REPORTED: LOCATION:House Club RESPONSE:DEAN 1234		14699905
	7/10/2012 4:25:28 PM	DEMOADMIN - Violation Resident - Guest Parking REPORTED: LOCATION:Office Maintenance RESPONSE:THIS VEHICLE HAS BEEN PARKED IN GUEST PARKING FOR SEVERAL DAYS. WE WILL CONDUCT A DOOR KNOCK AND HAVE THIS VEHICLE REMOVED THIS EVENING.	Sec 00	14341983
	4/13/2013 11:51:21 AM	WEB - Disturbance Other Location: REPORTED: My neighbor refuses to remove her bedroom sheet that is hanging over the balcony. The sheet is blocking my own patio view and she leaves the items hanging for days. Additionally, the neighbors always throw cigarette butts over the balcony which effects me as well... LOCATION:		21418186
	4/13/2013 10:03:06 AM	WEB - Disturbance Pool Area REPORTED: We have a 3 year old trying to sleep at 10:45pm. The pool was suppose to be shut and locked at 10:00pm. I believe the gate is still open and people are sitting in the spa area. Please have your security guard remove them from that area. LOCATION: RESPONSE:SECURITY PERSONNEL REMOVED RESIDENT FROM C103 WHO JUMPED THE LOCKED FENCE. RESIDENT NAME GEORGE GONZALEZ. WARNED AND ADVISED ABOUT INCIDENT.	C102	21419354
◀	4/12/2013 6:57:14 PM	WEB - Disturbance Music REPORTED: My neighbors are playing music way above normal apartment living conditions. The curfew time is 10:00pm need to shut down for the night. LOCATION:		21392278

- Prioritized Security Issues: **Red** (Critical Issue)
Yellow (Issue of Concern)
Green (Routine Issue)
- Detailed Description of all security issues
- GPS, date, and time stamped
- Photo and audio notifications

All officers report in real time and submit a Daily Activity Report at the end of each shift. Daily Activity Reports are stored for 7 years.

Accountability



- Every security, maintenance, or parking issue is pinpointed using GPS technology to verify the officers location in the field
- All supervisors verify each report using the GPS data to ensure that the guards are not only showing up, but delivering service at an exceptionally high level.



Client Access to Real Time Reports

Every issue is assigned a specific number. Click issue number to bring up full report

Speaker icon indicates audio file was recorded

Name of Location

Camera icon indicates picture (s) was taken

Type of issue reported

Run by specific property or location

Run by specific issue type reported

Filter reported issues by clicking on Maintenance, Security or Parking

Issue ID	Property Name	Reported Issue	Created Date	Created By	Assigned To	Level
21448510	Carillon Apartment Homes	Disturbance Skateboarders	04/14/2013 12:21 PM	DEMOADMIN	DEMOADMIN	1
21446482	Carillon Apartment Homes	(QR Scan) 6301 Stairway Level	04/14/2013 12:18 PM	DEMOADMIN	DEMOADMIN	3
21446465	Carillon Apartment Homes	Fire Extinguisher Inspection	04/14/2013 12:17 PM	DEMOADMIN	JPATRICK	2
21446454	Carillon Apartment Homes	Dog Dispenser Damage	04/14/2013 12:16 PM	DEMOADMIN	OLLIVIER	2
21446447	Carillon Apartment Homes	(QR Scan) Management Location	04/14/2013 12:15 PM	DEMOADMIN	DEMOADMIN	3
21446427	Carillon Apartment Homes	Dog Breed Not Authorized	04/14/2013 12:14 PM	DEMOADMIN	DEMOADMIN	1
21446412	Carillon Apartment Homes	Disturbance Music	04/14/2013 12:12 PM	DEMOADMIN	DEMOADMIN	1
21446400	Carillon Apartment Homes	(QR Scan) Gym Location	04/14/2013 12:11 PM	DEMOADMIN	DEMOADMIN	3
21446346	Carillon Apartment Homes	Check Pool and Spa	04/14/2013 12:06 PM	DEMOADMIN	DEMOADMIN	3
21446338	Carillon Apartment Homes	Cure and Quit Notice	04/14/2013 12:06 PM	DEMOADMIN	DEMOADMIN	1
21446316	Carillon Apartment Homes	(QR Scan) 6301 Build (4) Location	04/14/2013 12:05 PM	DEMOADMIN	DEMOADMIN	3
21446316	Carillon Apartment Homes	Check Club House	04/14/2013 12:04 PM	DEMOADMIN	DEMOADMIN	3
21446300	Carillon Apartment Homes	Check Pedestrian Gates	04/14/2013 12:03 PM	DEMOADMIN	DEMOADMIN	3
21446285	Carillon Apartment	(QR Scan) Officer On Location	04/14/2013 12:02 PM	DEMOADMIN	DEMOADMIN	3

Created date and who it was Created By

Officer assigned to reported issue

Run by tracking number, created date, created by and assigned to

See what issues are still open and pending by the hour and the days

SEARCH FOR AN ISSUE - HIT 'GO!' TO REFRESH

Issue ID	Property	Issue Type	Status	Level	Tracking #	Created Date
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Filter By:		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Old/New	<input type="checkbox"/> Appeals ONLY	<input checked="" type="checkbox"/> Closed	<input checked="" type="checkbox"/> Maintenance	<input checked="" type="checkbox"/> Security	<input checked="" type="checkbox"/> Parking	
<input type="button" value="New Action"/>	<input type="button" value="Vehicle Search"/>	<input type="button" value="Display Summary"/>	<input type="button" value="1"/>	<input 2"="" type="button" value="Go!</td> <td colspan="/>		

ISSUE SUMMARY

IssueType	IssueLevel	Unassigned	Open	0-1Hrs	1-3Hrs	3-6Hrs	6-12Hrs	12-24Hrs	1-10Days	10-21Days	21-90Days	90+Days
Security	1	0	2	2	0	0	0	0	0	0	0	0
Maintenance	2	0	2	2	0	0	0	0	0	0	0	0

All clients are given access to a real time issue monitor to monitor all activity, submit security requests, or run detailed reports.



Onboarding Process

A successful security program depends on an active partnership between Bomar Security, and Ethnobtanica. Together we will work to reach the goal of **total asset protection**.

Bomar Security is committed to:

1. Understanding the specific security needs in order to deliver the best trained and fully qualified security guards possible.
2. Superior account management through regular site inspections, ongoing security officer training and clear communication through verbal instruction and written post orders.
3. Collaborative development and maintenance of security program.
4. Operational flexibility to accommodate changes in coverage and on-site responsibilities.
5. Responsive handling of our client's requests or concerns related to our personnel and their performance.

Onboarding Process *(continued)*

Officer Acquisition Existing security officers can play a significant role in a smooth onboarding process. Existing guards in which the client wishes to keep on staff are encouraged to apply for employment with Bomar Security. Existing security officers will be required to participate in Bomar Security's screening and interview process to be considered for employment.

Post Orders A complete set of post orders will be written by Bomar Security and submitted to the client for review. Both Bomar Security and the client will regularly review, collaborate and update the post orders for each specific area. Security personnel will receive verbal, written, and physical training on any changes that are made to the post orders.

Account Management and Field Supervision During regular business hours, security officers will receive regular visits by Bomar Security operation and district managers. Site inspections for after hour posts will be inspections by field supervisors. Site inspections will be both announce and unannounced

Client Communication

Effective communication is a must between our management team and you, our client. The following is a list of contacts within our company that may be helpful to you in the future.

Mike Garripee	District Manager – San Luis Obispo County	(805) 928-5222 mike@bomarsi.com
Anthony Johnson	Operations Manager – Santa Barbara & Ventura County	(805) 928-5222 anthony@bomarsi.com
Lisa Fick	Billing Department	(805) 928-5222 lisa@bomarsi.com
Jody Chavez	Scheduling	(805) 928-5222 jody@bomarsi.com
Mitzi Navarro	President	(805) 928-5222 mitzi@bomarsi.com

Scope of Service

- Bomar Security is proposing 1 standing unarmed security officer 10 hours per day, 7 days a week. *(Number of standing guards and hours per day could change based on Ethnobotanica's needs).*
- The officer will control access to the Ethnobotanica facility as well as ensure that the Ethnobotanica staff have the safest work environment as possible.
- The officer will monitor the video surveillance systems that are provided by Sentinel Security to assist in preventing harm or damage to persons and property.
- The officer follow proper opening procedures to assure that the Ethnobotanica facility is not a targeted before the start of the regular business day.
- Officer will stay until last employee is ready to leave the facility and then will assure that the facility is secure for the evening by follow the facility's closing procedures.
- Officer will utilize a real time reporting device to submit all security and maintenance issues in real time.

Cost of Proposed Service

Service	Price
1 Unarmed Security Officer	\$21.25 per hour

PROVISIONS COVERING PREMIUM TIME, DOUBLE TIME, OR SPECIAL RATES:

Holidays: New Years Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day and Christmas Day. Hours worked over eight (8) in one day and over forty (40) in one week will be billed at a rate of 1 ½ times the basic rate. Hours worked over twelve (12) in one day, or hours worked in the seventh (7th) consecutive day, will be billed at twice the basic rate.

EMERGENCY CALL OUTS (Less than 24 hours notice) are billed at \$45.00 per hour, per guard, for the first 12 hours of each incident.

Conclusion

We are ready to prepare a contract for security services as soon as we receive your decision. It is our policy to have our security operations staff evaluate your locations requirements prior to the start date, and put in place interim post orders for the start of our service. Ideally, our security staff would like fourteen (14) days to prepare, evaluate, and approve post instructions, however we can prepare sooner, if necessary.

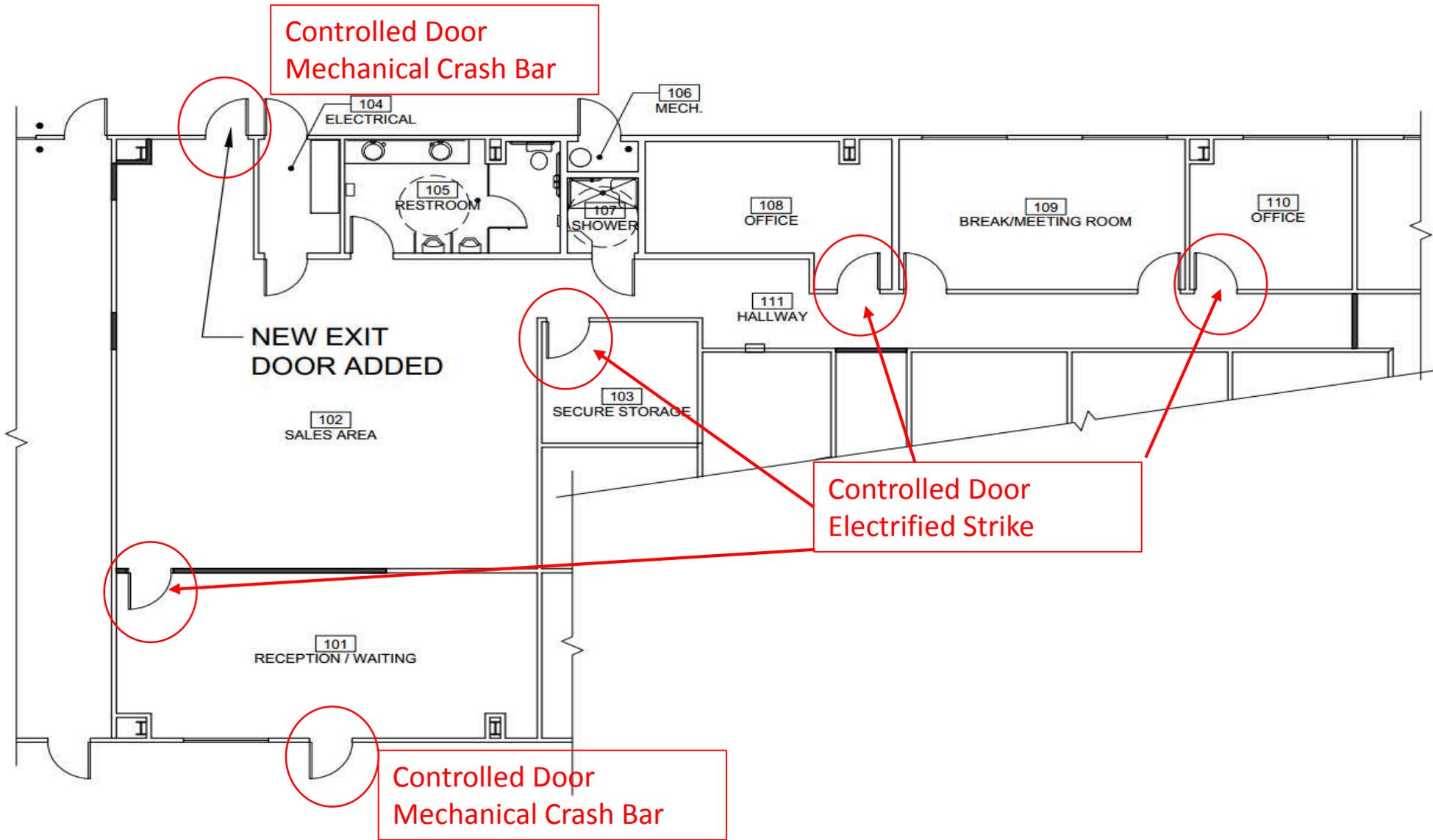
We are looking forward to working with you. Please call me if you have any questions or require additional information. References are available on request.

This proposal is valid for 120 days from date of this bid

Professionally Yours,

Mike Garripee
District Manager
Bomar Security & Investigation
(805) 928-5222
mike@bomarsi.com

Nipomo Dispensary Access Control Plan



FLOOR PLAN - 2,636 SF

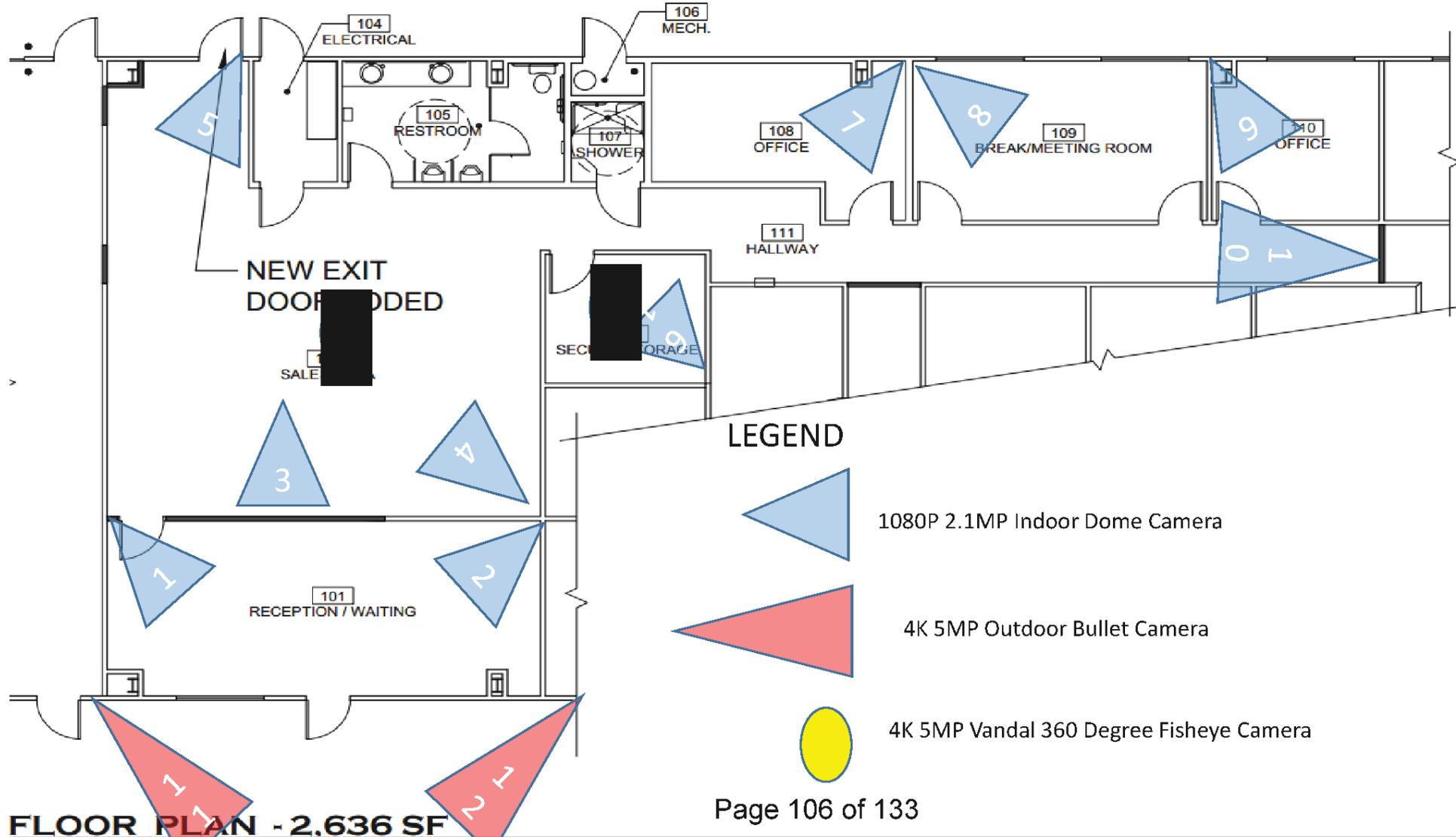
NIPOMO DISPENSARY
2122 HUTTON ROAD

Nipomo Dispensary HD Camera Plan

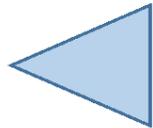


MW ARCHITECTS

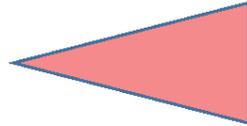
ARCHITECTS:
MICHAEL C. PEACHEY
WAYNE R. STUART
(805) 544-4334



LEGEND



1080P 2.1MP Indoor Dome Camera

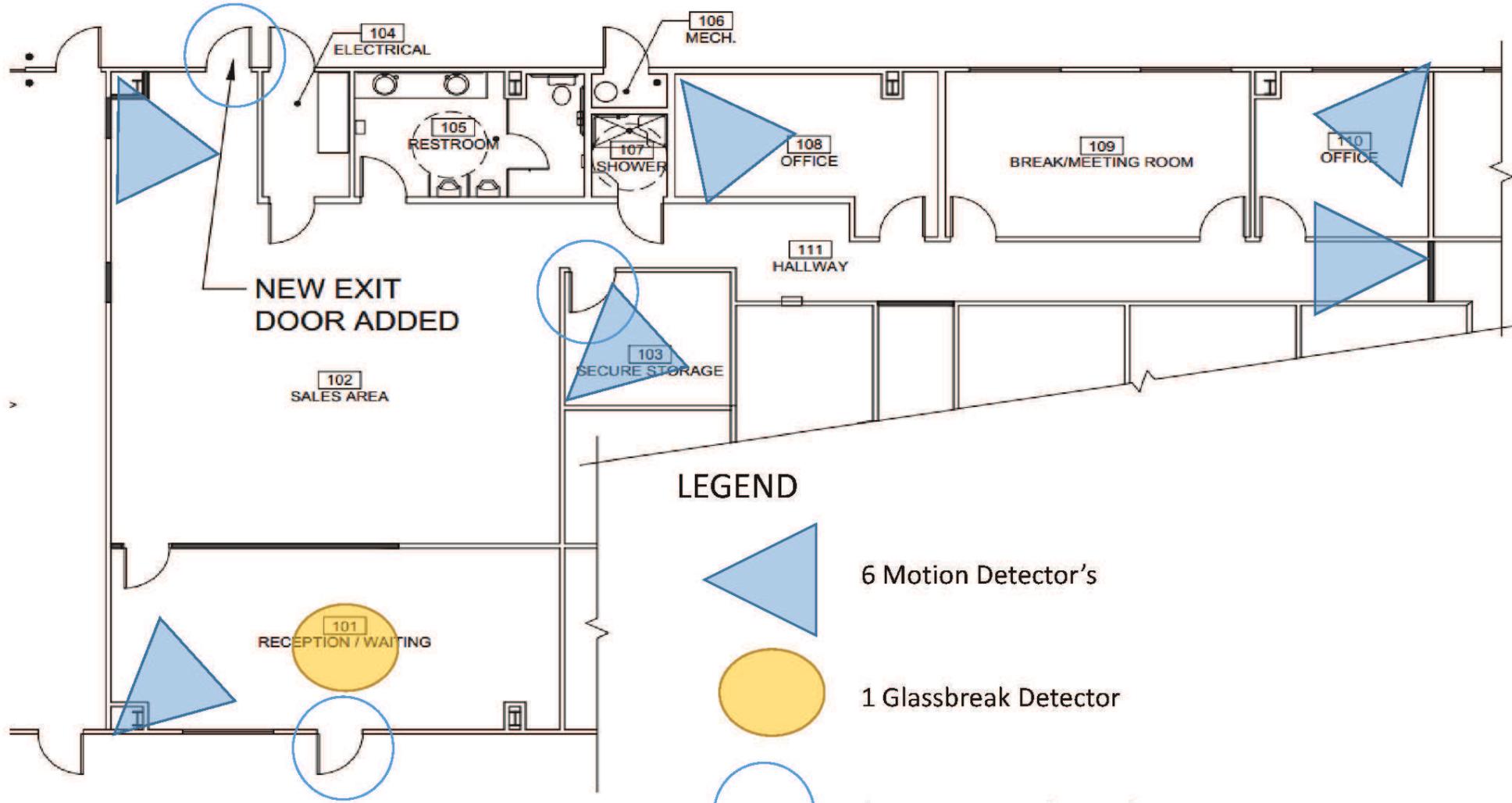


4K 5MP Outdoor Bullet Camera



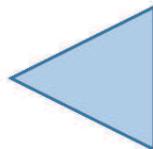
4K 5MP Vandal 360 Degree Fisheye Camera

Nipomo Dispensary Alarm System Plan



FLOOR PLAN - 2,636 SF

LEGEND

-  6 Motion Detector's
-  1 Glassbreak Detector
-  3 Door Contact Sensor's

NIPOMO DISPENSARY
2122 HUTTON ROAD



Sentinel Security Solutions, Inc.
Phone: 805-773-6100 Fax: 805-773-6101
Office: 200 S. 13th St. Ste 105
Grover Beach, CA 93433
Mail: PO Box 247, Pismo Beach, CA 93448
www.SentinelSecuritySolutions.com
ACO # 6815 C10 #941457

Contract #: _____
 C.S. #: _____
 ADC #: _____
 REP: _____

PROPOSED SCHEDULE OF DETECTION

Nipomo Dispensary – TruPortal Access Control System
2122 Hutton Rd.
Nipomo, CA

Install:

1 - GE TruPortal 2 Door Base Access Control Panel System and Reader w/ Computer Access	\$1,195
2 - GE TruPortal 2 Door Add On Access Panels	\$1,790
2- Adams Rite Electrified Panic Device	\$1500
*Exterior Doors	
4- Adams Rite Electrified Strike	\$1600
*Interior Doors	
6- SDC Power Transfer Loop Cord, 18", Aluminum	\$300
6 - GE TruPortal Mullion Style Access Control Readers	\$450
1 - Power Supply, 6Amp, 8 Output, FACP Disconnect	\$225
2 - Batteries 12V, 8 AH	\$50
 Labor - To Install Access Control System & Train	 \$4,280

Price Includes:

- *Installation
- *Networking
- *Signs & Stickers
- *Three Year Full Warranty
- *The application for, and acquisition of, any and all City, County, State and/or Federal permits and/or any other authorizations which may be required to perform the necessary and above outlined work, is the sole responsibility of the contracting party to whom this document is addressed. By signing below the contracting party is accepting this bid and confirming that all necessary permits have been issued and posted in accordance with the aforementioned issuing authority guidelines

Purchase:

\$7,110.00+tax	Equipment Cost
\$4,280.00	Labor for GE TruPortal Installation
\$11,390.00+tax	Grand Total

COMPANY

By: _____
 Sales Representative

Date: _____

Approved: _____
 Sales Manager

Date: _____

CLIENT

By: _____
 Individually and on the behalf of the above named client

Date: _____

Thank You For Your Business!



Sentinel Security Solutions, Inc.
Phone: 805-773-6100 Fax: 805-773-6101
Office: 200 S. 13th St. Ste 105
Grover Beach, CA 93433
Mail: PO Box 247, Pismo Beach, CA 93448
www.SentinelSecuritySolutions.com
ACO # 6815 C10 #941457

Contract #: _____
C.S. #: _____
ADC #: _____
REP: _____

PROPOSED SCHEDULE OF DETECTION

Nipomo Dispensary – Alarm System
2122 Hutton Rd.
Nipomo, CA

Install:

- 1 – Master Control Panel (Interlogix NX-8) \$499 (KIT)
1 – CDMA Verizon Cellular Alarm.com Digital Communicator
*Remote access using internet or smart phone app and alarm.com software
1 – Transformer & Battery Back Up
1 – Indoor Audible Siren
1 – RF LCD Keypad's
*Entrance
3 – Door Contacts (Included in Kit)
*Front Entrance *Back Door
*Interior Secure Storage Door
6 – Bosch Tri-Tech Blue Line Motion Detector's \$95each
*Reception *Sales Floor (1 Included in Kit)
*Hallway *Office 1
*Office 2 *Secure Storage Room
1 – Hardwired Glassbreak Detector \$95each
*Reception

Price Includes:

- *Installation
*Signs & Stickers
*Three Year Warranty
*Sentinel Bucks

Purchase Price:

\$1,069.00+ tax Alarm Equipment & Installation
\$34.95 Monthly Monitoring Fee with Remote Access
(Includes Smart phone App & Website Login)

COMPANY

CLIENT

By: _____
Sales Representative

By: _____
Individually and on the behalf of the above named client

Date: _____

Date: _____

Approved: _____
Sales Manager

Thank You For Your Business!

Date: _____



Sentinel Security Solutions, Inc.
Phone: 805-773-6100 Fax: 805-773-6101
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Contract #: _____
 C.S. #: _____
 ADC #: _____
 REP: _____

PROPOSED SCHEDULE OF DETECTION

Nipomo Dispensary – NUUO HD Camera System and Server
2122 Hutton Rd.
Nipomo, CA

Install:

1 – NUUO NT4040 Titan 4TB Linux IP Camera Server (Up to 64 Camera’s)	\$1,495.00
4 – Western Digital 2TB Hard-Drives RAID5 Redundancy (Total of 8TB)	\$250each
14 – NUUO Crystal IP Digital Licenses	\$100each
1 – Etherwan 16Port Gigabit WebSmart Non-managed POE Switch w/ 2 Uplinks	\$750.00
10 – Vivotek 2MP 1080P Indoor Vandal Dome Camera VF 2.8-12mm Lens, WDR PRO w/ 36 IR LED’s *Coverage in Facility	\$595each
2 – Vivotek 360 Degree FishEye 5MP Immervision Lens HD Vandal Dome IP Camera’s *Sales Area *Storage	\$895.00each
2 – Vivotek 5MP Outdoor Vandal Dome Camera VF 2.8-12mm Lens, 30M IR LED’s Smart Focus, WDR Pro *Exterior Entrance Coverage	\$995.00each
2000’ – CAT5E Cable	\$500
Labor - To Install NVR, IP Camera, Network, Test & Inspect	\$3,400.00

Price Includes:

- *Installation
- *Signs & Stickers
- *Three Year Warranty
- *Sentinel Bucks

Purchase Price:

\$14,875.00 + tax	Equipment & Materials
\$3,400.00	Labor & Installation
<hr/>	
\$18,275.00 + tax	Grand Total

COMPANY

CLIENT

By: _____
Sales Representative

By: _____
Individually and on the behalf of the above named client

Date: _____

Date: _____

Approved: _____
Sales Manager

Thank You For Your Business!

Date: _____

NUUO Titan NVR

Enterprise Linux Recording Solution

Power. Speed. Redefined

Revolutionary High Megapixel Recording and Management System



- Linux-embedded
- F.R. Mega Optimized
- 250Mbps throughput
- RAID 0,1,5,1+0
- Command Chain
- Dual Gigaports
- Centralized E-Map
- Event Respond
- 400 ch (live)
100 ch (playback)
- Image Fusion
- Twin Client
- Bandwidth control

Win / Mac Client

Browser

Mobile Apps

Technology Partners

Camera Support

- | | | | | | | | |
|--|--|--|--|--|--|--|--|
| | | | | | | | |
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Design Highlights

Megapixel Recording Powerhouse



NUUO Titan NVR utilizes a refined recording engine named File Ring. File Ring is engineered from scratch to handle high megapixel recordings by changing how hard drives store and retrieve video data. It can process 250 Mbps of data throughput boosting Titan's recording performance to a stunning result of 64 5-Megapixel cameras (H.264, 10 fps, moderate traffic).

No.	Name	Address	Conn. Status	Rec. Status	FrameRate	Bitrate
45	Field Cam -6	192.168.0.199	OK	●	8.0 fps	3200.0 Kbps
46	Field Cam -6	192.168.0.168	OK	●	10.0 fps	3500.0 Kbps
47	Field Cam -7	192.168.1.128	OK	●	8.0 fps	3200.0 Kbps
48	Field Cam -8	192.168.0.238	OK	●	7.0 fps	3645.0 Kbps
49	Field Cam -8	192.168.1.210	OK	●	8.0 fps	3875.0 Kbps
50	Field Cam 80	192.168.0.188	OK	●	10.0 fps	3875.0 Kbps
51	Field Cam 51	192.168.0.180	OK	●	9.0 fps	3700.0 Kbps
52	Field Cam 59	192.168.0.181	OK	●	8.0 fps	3600.0 Kbps
53	Field Cam 53	192.168.1.167	OK	●	10.0 fps	3200.0 Kbps
54	Field Cam 51	192.168.1.163	OK	●	8.0 fps	3645.0 Kbps
55	Field Cam 45	192.168.0.161	OK	●	7.0 fps	3800.0 Kbps
56	Field Cam 56	192.168.1.165	OK	●	8.0 fps	3875.0 Kbps
57	Field Cam 57	192.168.2.168	OK	●	10.0 fps	3200.0 Kbps
58	Field Cam 58	192.168.1.167	OK	●	9.0 fps	3800.0 Kbps
59	Field Cam 89	192.168.0.164	OK	●	8.0 fps	3300.0 Kbps
60	Field Cam 60	192.168.1.170	OK	●	10.0 fps	3645.0 Kbps
61	Field Cam 61	192.168.0.171	OK	●	9.0 fps	3500.0 Kbps

64x 5-Megapixel recording utilizing F.R. Mega Optimized recording engine

Cleaner, Faster Remote Management



Titan NVR is built with highly efficient data and event management architecture. User can select smaller bandwidth profile for remote viewing to eliminate internet bottlenecks without affecting the recorded videos.



In addition, Titan is equipped with NUUO Command Chain Technology which can synchronize user accounts and critical events across 100 servers, 400 channel live views and 100 channel playback simultaneously.



Stream Profile ▶ Allows remote client to view cameras through different bandwidth profiles (Original / 300 kbps / 100 kbps)

Turn, Scale and Stitch Cameras Together



Experience a world without camera dead angles and narrow hallway views. NUUO Image Fusion Technology can manipulate camera views by changing its viewing angle and image size make viewing easier in both live view and playback. Moreover, users can stitch multiple cameras together to form a unified single view from up to 10 different cameras.



Image Fusion combines camera 1 to 5 into a single view for easier viewing

Success Stories

Industrial



LG Powercom
356CH (Korea)

Hospital



El Zerayeen Hospital
560CH (Egypt)

Retail



Macanna Inc.
400CH (Taiwan)

Education



Fujian Exam Center
18,000CH (China)

Transportation



RapidKL
670CH (Malaysia)

Government

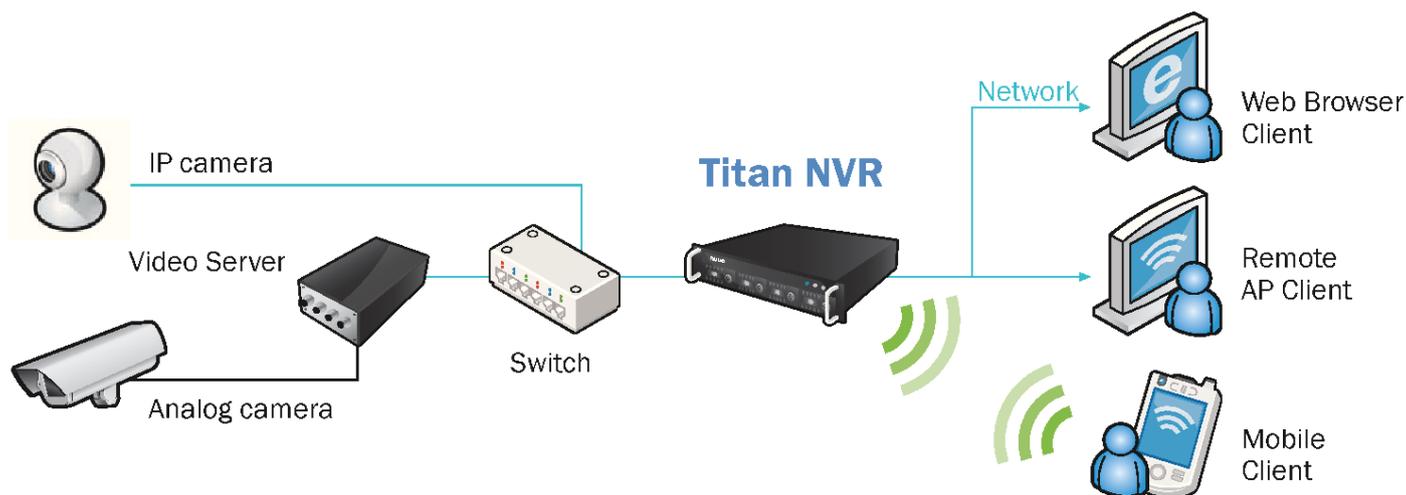


TRE Parana
970CH (Brazil)

Hotel



Cristal Hotel
100CH (USA)



Server Highlights

- Linux embedded
- Support 33 brands of IP manufacturers and over 930 camera models ([Http://support.nuuo.com](http://support.nuuo.com) for details)
- Onvif compatible
- Record up to 64 megapixel cameras (through license upgrade)
- High throughput (250Mbps) supporting up to 64x 5-Megapixel cameras (based on H.264, 10 fps, moderate traffic)
- Support up to 10 Megapixel single camera
- NUUO Command Chain Technology – Synchronize user accounts across 100 servers through a single server instantly
- Centralized I/O and event respond systems
- Dual gigabit Ethernet ports
- Camera Dual (2nd) Stream support ([Http://support.nuuo.com](http://support.nuuo.com) for details)
- Stream up to 192 camera connections to multiple clients simultaneously for Live View (128) and Playback (64)
- Scheduled Backup to FTP location
- Support continuous, scheduled, event based and I/O based recording
- Synchronized audio and video recording

Client Highlights

- Windows and Mac compatible (*Mac support in Titan v1.1 or beyond)
- Manage up to 100 servers, 400 channels live view and 100 channels playback simultaneously.
- NUUO Image Fusion Technology – stitch up to 10 cameras together to form a consecutive single view for easier viewing
- Immersion Enabled 360° PTZ
- Region of Interest (ROI) to show highly interested area of a single camera in separate view
- Support Stream Profile for remote live view bandwidth control (Original / 300 kbps / 100 kbps)
- Digital and Optical PTZ
- Remote server configuration
- Centralized E-map
- Centralized I/O Panel and Event Panel
- Public View and Private View for each user
- View Tour to loop through selected Views
- Instant Playback
- Save video clips into AVI or ASF format
- Intelligent Search in playback to quickly find the subject of interest
- Twin Clients to support identical, full featured software client and web client
- Joystick

External Supports

- External storage support through 3rd party DAS ([Http://support.nuuo.com](http://support.nuuo.com) for details)
- Support up to 256 NUUO I/O boxes (SCB-C24/C26/C28)
- Support APC Uninterrupted Power Supply (Smart-UPS 750 VA / APC Back-UPS 500 ES / APC Smart UPS 1500 / APC Smart UPS 3000)

Specification

Model		Titan NVR	
Style		 Tower	 Rack (1U)
Part Number	Server	NT- 4040	NT- 4040R
	IP License	NT-TITAN-UP-01 / NT-TITAN-UP-04 / NT-TITAN-UP-08 / NT-TITAN-UP-12 / NT-TITAN-UP-16	
Max IP License (through upgrade)		64	
Base IP License (included in server)		4	
Server O/S		Embedded Linux	
Video Compression		H.264, MPEG4, MJPEG	
Recording Performance		250 Mbps *Approx. 64x 5-Megapixel H.264 cameras @ 10 fps	
Removable HDD Trays		4x SATA II	
HDD Support		3TB per drive (Max 4 drives)	
Max. Storage (Internal)		12TB	
Hot Swappable		Yes	
RAID		0, 1, 5, 10	
External Storage		DAS (AXUS FIT 300 / AXUS FIT 500 / PROWARE EP-2123-UA) * http://support.nuuo.com for more models	
External Ports		6x USB 2.0 (for mouse, UPS); 1x eSATA (for DAS)	
Ethernet (NIC)		2x Gigabits Ports	
Video Spot Out		VGA (D-sub)	
Voltage		100-240V	
Power Consumption		200W	
Dimension (HxWxD)		210 x 200 x 320 mm	44.5 x 441 x 428.8 mm
Weight (without HDD)		5.5 kg (12.13lbs)	6.235 kg (13.75lbs)
Temperature		Operating: 0°C ~ 40°C	
Humidity		Operating: 5% ~ 95%	
Supported Language		English, Japanese, Traditional Chinese, Spanish, Deutsch, French, Italian, Russian, Korean, Portuguese (Brazil) and Finnish	

Client System Minimum Requirement

OS	Mac OS X 10.6 and above / Win7 (32 and 64-bit) / Windows XP (32-bit)
CPU	Intel Core 2 Duo, 2.6GHz
RAM	1GB
Graphics Card	nVidia / ATI 1GB or above
LAN Support (NIC)	100/1000 Mbps (RJ45)
Client Platforms	NuClient Software / Nuclient Web (Internet Explorer 8.0, Firefox 7.0 or above) / NUUO iViewer App for  iPad  iPhone  안드로이드

About NUUO

Our core value is to help improve your overall experience in integrating, installing, serving and educating your customers. NUUO is one of the very first pure CCTV manufacturer specializing in development of hybrid and IP recording technologies. There are currently over 97,000 installations worldwide that are secured by our IP and hybrid systems. We promise to continue bring reliability, innovation and excitement to you through passion and dedication.

TruPortal™ Access Control

2-Door Base System



OVERVIEW

TruPortal offers an IP Appliance-Based Access Control System integrated with the TruVision™ line of video products. Designed for the over-the-counter market, this solution is also ideal for small- to medium-sized commercial buildings. The easy-to-install system features a browser-based interface that does not require specialized training, additional software or licensing. Plus, a companion iPad app enables users to remotely monitor system activity and perform basic administrative tasks, such as adding or deleting users.

The system provides up to five clients simultaneously with real-time information, event monitoring and video integration. A user-friendly interface, online help files, built-in tool tips, intuitive searching and flexible reporting methods all ensure a frustration-free user experience. The interface is available in five languages: English, Dutch, French, Spanish and Portuguese.

TruPortal also allows hardware interfacing with up to 132 digital inputs for unlocking doors in case of emergency, while pre-configured roll-call reports enable easy verification of persons still on the premises. Integration with two separate video products (TVR 10 and TVR 30) provides in-browser video verification and alarm tagging.

End-user administration of the system is made easy with built-in wizards that guide the administrator through the different setup screens, as well as items like Access Levels, Schedules, Holidays and Reader Lists. The access control database features 10 customizable user-defined fields. Multiple levels of operators can be configured, with five levels incorporated by default.

STANDARD FEATURES

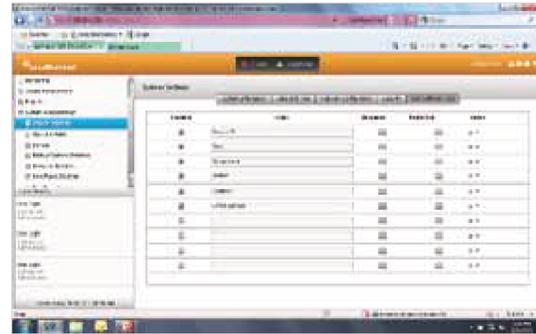
- Web-based application without additional software or licensing
- Seamlessly links video to access control system
- Video can be viewed and controlled via browser
- Monitor and control up to 132 inputs and 66 outputs
- iPad app allows remote access and monitoring
- Simple system installation requires no special training
- User-friendly interface and built-in configuration wizards
- Hardware discovery on initial and subsequent hardware installations
- Utility for Import/Export of cardholders
- FCC, Class A and CE compliant
- Supports up to 10,000 persons and 10,000 credentials with 5 credentials per person
- Supports up to 64 access levels with 8 levels of access per credential
- Supports up to 64 schedules with 6 intervals per schedule
- Supports up to 64 reader groups, 32 operator roles, 8 free configurable card formats, and 64 readers or doors in a flexible configuration
- Supports DVRs: TVR 10 and TVR 30 with a maximum of 64 cameras and maximum 4 DVRs

Key Functions



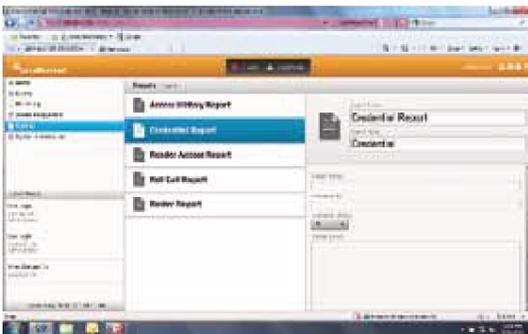
Installation/Ease-of-Use Features

Wizards walk users through installation and other common tasks, while Tool Tips provide descriptions of system features.



Customizable Configuration

Cardholder database offers customized fields to track and generate reports.



Reports

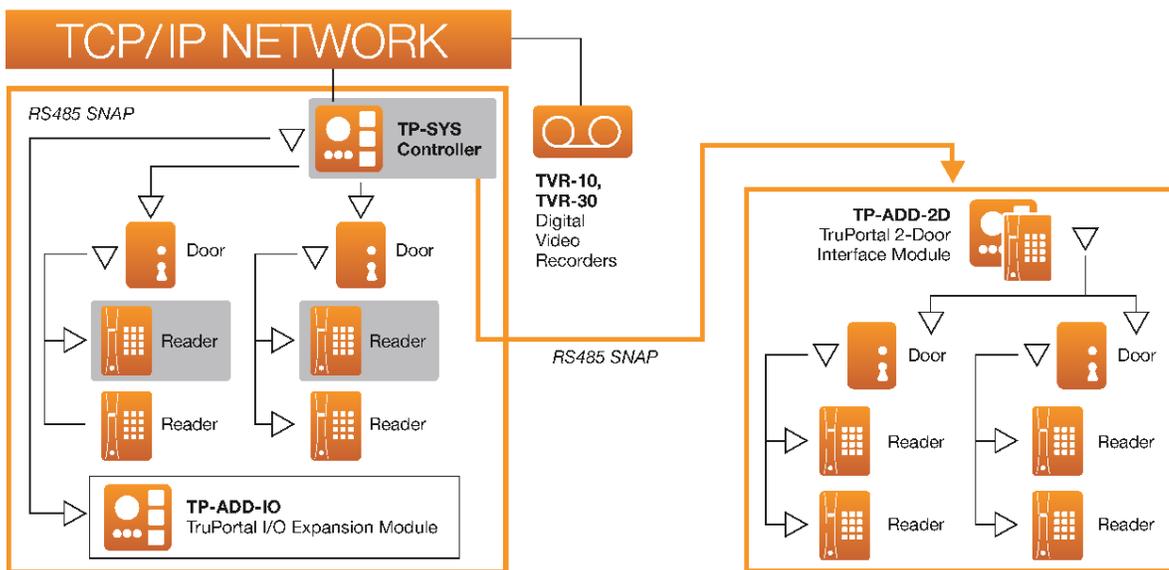
Easily customize reports and filter based on individuals, locations or times.



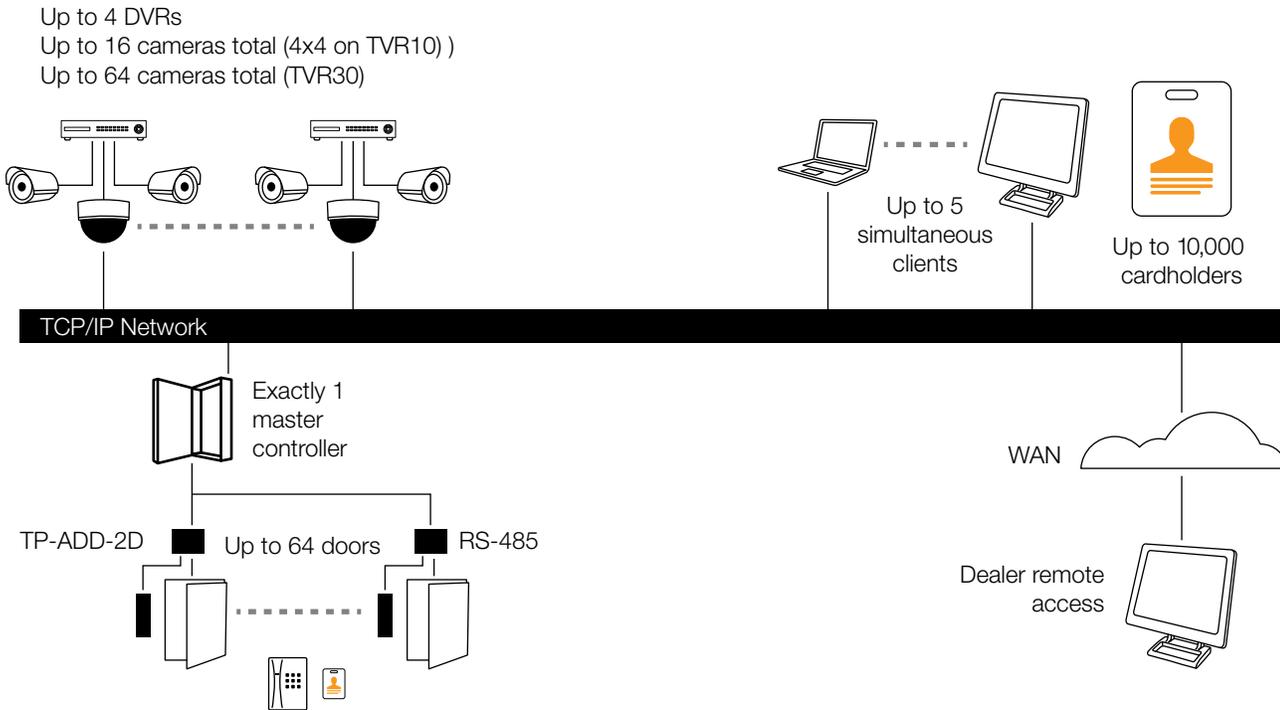
Seamless Video Integration

Associate and control video related to access control system events.

System Diagram



Application Drawing



Specifications

Description

Cardholders and Credentials	Up to 10,000 total (up to 5 credentials per cardholder)
Doors and Readers	Expandable to 64 doors or 64 readers
Access Levels	64 total (up to 8 per credential)
Anti-Passback	Up to 64 areas (Hard/Soft modes configurable per reader)
Event History	65,000 historical events
Schedules and Holidays	64 schedules/255 holidays
Enclosure Size (WxHxD)	21-1/4 x 13-5/8 x 4-1/4 in.
Certifications	UL, RoHS, CE
Hardware Recommendation	Intel Pentium 4 2.8 GHz Processor 1 GB of memory 512 MB Video Card 1 GB free disk space 10/100 Ethernet Network Interface Card 1024 x 768 screen resolution
Video Performance	Directly depends on the available RAM and the processor.
Software Requirements	Microsoft Windows XP SP3 32-bit, or Microsoft Windows 7 32- and 64-bit IBM-Compatible PC Bonjour Print Services .NET 4.0 framework Adobe Flash plug-in 10.6+

Supported Readers	Supports Wiegand Data1/Data0
Typical Credential Technologies	125 kHz 13.56 MHz(ISO 15693 &14443A, B)
Typical Proximity Cards	Interlogix Proximity HID® Proximity HID® Proximity Corp. 1000
Typical Smart Cards	MIFARE® (ISO 14443A) card serial number (CSN) MIFARE®/DESFIRE® CSN Vicinity (ISO 15693) CSN HID® iCLASS® CSN
Supported Digital Video Recorders	TruVision™ DVR 10 TruVision™ DVR 30
Supported Browsers	Windows Internet Explorer Version 7, 8 (video features only supported with IE, Recommend IE8) Chrome, version 8 Safari, version 5 FireFox, version 3.6

TruPortal™ Access Control

2-Door Base System

North America
T 855-286-8889

Asia
T 852-2907-8108

Australia
T 61-3-9239-1200

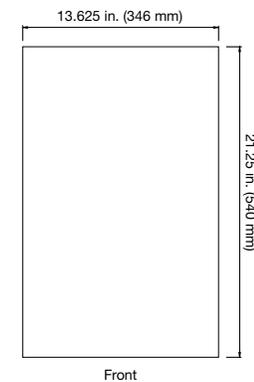
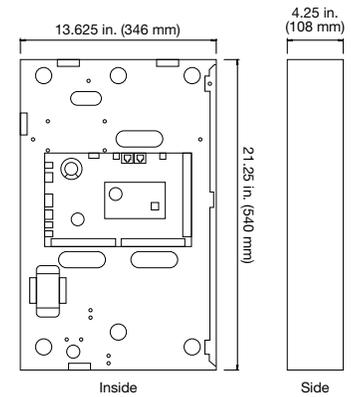
Europe
T 32-2-725-11-20

Latin America
T 561-998-6100

Ordering Information

Base Systems	
TP-SYS-2D	TruPortal™ 2-Door Base System. Consists of a TruPortal System Controller installed in UL listed enclosure w/integrated power supply/standby battery charger.
TP-SYS-2D2R	TruPortal 2-Door Base System with readers. Consists of a TP-SYS-2D bundled w/2 readers and 5 credentials.
TP-SYS-BRD	TruPortal System Controller. For spare parts only.
Add-Ons	
TP-ADD-2D	TruPortal 2-Door Add-on Kit. Consists of a TruPortal 2-Door Interface Module installed in UL listed enclosure w/4 AMP power supply.
TP-ADD-2D2R	TruPortal 2-Door Add-on Kit with readers. Consists of a TruPortal 2-Door Interface Module installed in UL listed enclosure w/4 AMP power supply. Includes 2 Readers.
TP-ADD-2D-BRD	TruPortal 2-Door Interface Module. Board only.
TP-ADD-IO	TruPortal I/O Expansion Add-on Kit. Consists of a TruPortal 16 input, 8 output I/O Expansion Module installed in a UL listed enclosure w/4 AMP power supply.
TP-ADD-IO-BRD	TruPortal I/O Expansion Module. Board(s) only. 16 inputs and 8 relay output (consists of 2 separate but interconnected boards). For spare parts or for installation into an existing TP-SYS-2D
Readers	
TP-RDR-100A	TruPortal T-100 Series Reader (mini-mullion mount, ProxLite/HID®, 3 covers, 18"/45.7cm pigtail wire, Wiegand output)
TP-RDR-100B	TruPortal T-100 Series Reader (mini-mullion mount, ProxLite/HID®, 3 covers, 84"/214cm pigtail wire, Wiegand output)
TP-RDR-200A	TruPortal T-200 Series Reader (mini-mullion mount, Vicinity (ISO 15693)/Proximity (ISO14443), 3 covers, 18"/45.7cm pigtail wire, Wiegand output)
TP-RDR-200B	TruPortal T-200 Series Reader (mini-mullion mount, Vicinity (ISO 15693)/Proximity (ISO14443), 3 covers, 84"/214cm pigtail wire, Wiegand output)
Note: Backup battery must be purchased separately.	
Accessories	
TP-RDR-LRN	Dual-Frequency Enrollment Reader
Credentials	
TP-PRX-CLAM-50PK	TruPortal Credential - HID® Proxcard® II Clamshell Design Cards - 50 Pack
TP-PRX-KF-50PK	TruPortal Credential - HID® Prox Keyfobs - 50 Pack
TP-PRX-ISO-50PK	TruPortal Credential - HID® Prox ISO Cards - 50 Pack
TP-MFC-ISO-50PK	TruPortal Credential - MIFARE® Classic ISO Cards no Magstripe Gloss/Gloss - 50 Pack
TP-MFC-ISOM-50PK	TruPortal Credential - MIFARE® Classic ISO cards 27500E Magstripe Gloss/Gloss - 50 Pack
TP-MFC-KF-BK-25PK	TruPortal Credential - MIFARE® Classic Keyfobs Piano Black - 25 Pack
TP-MFC-KF-RD-25PK	TruPortal Credential - MIFARE® Classic Keyfobs Piano Red - 25 Pack
TP-MFC-KF-OG-25PK	TruPortal Credential - MIFARE® Classic Keyfobs Piano TruPortal Orange - 25 Pack
TP-MFC-KF-LG-25PK	TruPortal Credential - MIFARE® Classic Keyfobs Epoxy Slender - TruPortal Orange - 25 Pack
TP-CP-KF-BK-25PK	TruPortal Credential - Interlogix Prox Keyfobs Piano Black - 25 Pack
TP-CP-KF-RD-25PK	TruPortal Credential - Interlogix Prox Keyfobs Piano Red - 25 Pack
TP-CP-KF-OG-25PK	TruPortal Credential - Interlogix Prox Keyfobs Piano TruPortal Orange - 25 Pack
TP-CP-KF-LG-25PK	TruPortal Credential - Interlogix Prox Keyfobs Epoxy Slender - TruPortal Logo - 25 Pack

Dimensional Diagram



interlogix.com

Specifications subject to change without notice.

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203-3509 2012/05 (69334)

ATTACHMENT 4

Attachment 7

SAN LUIS OBISPO COUNTY CODE - TITLE 22, LAND USE ORDINANCE

Standards for Specific Land Uses

22.30.225

22.30.225 - General Retail

This section applies only to Medical Marijuana Dispensaries when proposed in the Commercial Retail or Commercial Service land use categories and outside of the Central Business District (CBD). Other General Retail uses are subject to the land use permit required by 22.06.030 (Table 2-2). A Medical Marijuana Dispensary is defined as a facility where marijuana is made available for medical purposes in accordance with Health and Safety Code Section 11362.5 (Proposition 215).

- A. Purpose.** The voters of the State of California affirmed the medical use of marijuana by voting for Proposition 215 (codified as Health & Safety Code Section 11362.5). The intent of this Proposition was to give persons who are in need of medical of marijuana the ability to obtain and use it without fear of criminal prosecution. The specific purpose of this Section is to set standards for this use consistent with neighborhood concerns.
- B. Permit requirements.** Minor Use Permit approval is required in order to establish a Medical Marijuana Dispensary.
- C. Design and operational standards.**
- 1. Location.** Medical Marijuana Dispensaries shall be located outside of the CBD, a minimum of 1000 feet from any pre-school, elementary school, high school, library, park, playground, recreation or youth center. Distance shall be measured from the building which contains the Medical Marijuana Dispensary to the property line of the enumerated use using a direct straight line measurement.
 - 2. Limitation on use.**
 - a. Hours of operation are limited to 11:00 a.m. to 6:00 p.m. seven days per week.
 - b. No person under the age of 18 (eighteen) shall be permitted in the Dispensary at any time except in the presence of his/her parent or guardian.
 - c. No retail sales of paraphernalia as defined in Health and Safety Code section 11364.5 are permitted at the Dispensary.
 - d. No cultivation of medical marijuana is permitted at the Dispensary or on Dispensary property.
 - 3. Employees.** All staff/employees employed by the Medical Marijuana Dispensary must be 21 years of age or older.
 - 4. Security Plan.** A security plan shall be submitted with the Minor Use Permit Application that includes lighting, security video cameras, alarm systems and secure area for medical marijuana storage. The Security Plan shall include a requirement that there be at least 30 (thirty) business days of surveillance video (that captures both inside and outside images) stored on an ongoing basis. The video system for the security cameras must be located in a locked, tamper-proof compartment.

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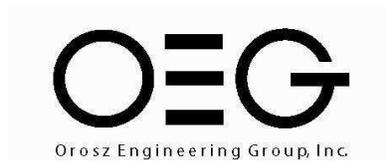
SAN LUIS OBISPO COUNTY CODE - TITLE 22, LAND USE ORDINANCE

Standards for Specific Land Uses

22.30.225

5. **Displayed notice.** Each Dispensary, inside of the Dispensary itself, shall display in a manner legible and visible to its clientele:
 - a. Notice that persons under the age of 18 (eighteen) are not allowed in the Dispensary except in the presence of his/her parent or guardian;
 - b. Notice that there is no consumption of medical marijuana in the vicinity of the Dispensary.
6. **Sheriff notification.** A condition to establishment of a Medical Marijuana Dispensary shall be notification to the Sheriff's Department informing it of the name, location and contact information for the owner/operator of the Dispensary.

[Added 2006, Ord. 3114]



April 13, 2015

Stephanie Kiel
Ethnobotanica
1961 Main Street, Suite 239
Watsonville, CA 95076

Subject: Trip Generation Assessment – 2122 Hutton Road Medical Marijuana Dispensary,
Nipomo; County of San Luis Obispo, California

Dear Ms. Kiel:

Orosz Engineering Group, Inc. (OEG) would like to thank you for the opportunity to provide the following letter report for the proposed Medical Marijuana Dispensary located at 2122 Hutton Road, Nipomo. We have reviewed the information that you provided and based on our local knowledge prepared the following trip generation and parking assessments of the project. The following information should allow the County of San Luis Obispo to evaluate the potential traffic and parking related impacts of your project.

Project Description

The proposal includes the conversion of a previous 2,636 square foot construction company office unit to a medical marijuana dispensary. The site is zoned commercial services. The site is located at 2122 Hutton Road in Nipomo. The hours of operation of the project are 11:00 AM to 6:00 PM seven days per week.

Trip Generation Assessment

To estimate the number of project related traffic trips associated with the proposed land, the Institute of Transportation Engineers (ITE) reference, Trip Generation: An Informational Report 9th Edition was used. The ITE reference provide trip generation rates for a number of land uses on a Daily and PM peak hour basis. As the offices are not open to the public during the AM peak hours (7-9AM), the trips generated during this time frame was assumed to be zero.

ITE does not have a land use code for a medical marijuana dispensary. The proposed land use is closer to a medical office use than a specialty retail use. The Medical Office ITE trip data was used for this analysis as the Medical Office land use generates more PM peak hour trips than the Specialty Retail use. While the daily traffic estimate would be slightly higher using the Specialty Retail trip rates, the project hours of operation are limited, so that the project trip generation would more closely resemble the medical office rates.

The trip generation rates for a medical office, ITE code 720, are 36.13 trips per 1,000 square feet on a daily basis with 3.57 trips per 1,000 square feet during the PM peak hour. Based on these factors, the project is expected to add a total of 95 daily trips with 10 PM peak hour trips (3 toward the site and 7 away from the site).

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Ms. Stephanie Kiel
April 13, 2015
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The peak direction traffic volumes during the PM peak hour along Hutton Road would be less than or equal to five peak hour trips. At traffic levels of less than five peak hour trips, the project traffic results in the less than the smallest number of trips that can be reasonably tracked through the road system with any reliability on a daily or peak hour basis. At these trip levels, the project would not noticeably impact the existing road system operation.

Therefore based on the amount of peak hour traffic associated with the project site, no significant impacts would be created with the addition of the project traffic on existing or future traffic conditions.

Parking Requirements

The project has a total of 11 dedicated parking spaces for this office space. The County has a parking requirement of 1 space per 300 square feet of sales area with 1 space per 600 square feet of storage areas. Based on the site plan and space usage of the tenant space, approximately 50% of the 2,136 square feet is dedicated to sales uses with the remainder dedicated to storage or non-sales areas. Based on this 50/50 split of uses, the project parking requirements would be a total of six spaces. ($1068 \text{ SF} / 300 \text{ SF} = 4$, $1068 \text{ SF} / 600 = 2$ spaces). As the project has more parking spaces than the County code requires, an adequate parking supply would exist.

Summary

As shown above, the project is expected to generate an insignificant amount of peak hour trips. Additionally, the project site has historically generated some project traffic so not all of the current project traffic would be considered new or added to the surrounding street system. No project specific impacts are expected.

The proposed project parking requirements are less than the proposed parking supply. An adequate parking supply is provided so that no parking impacts are anticipated.

This concludes our traffic and parking assessment for the Ethnobotanica medical marijuana dispensary. Should you have any questions or require additional information, please feel free to contact us directly.

Sincerely,

Orosz Engineering Group, Inc.

Stephen A. Orosz, PE
Traffic Engineer

EDMUND G. BROWN JR.
Attorney General



DEPARTMENT OF JUSTICE
State of California

**GUIDELINES FOR THE SECURITY AND NON-DIVERSION
OF MARIJUANA GROWN FOR MEDICAL USE**

August 2008

In 1996, California voters approved an initiative that exempted certain patients and their primary caregivers from criminal liability under state law for the possession and cultivation of marijuana. In 2003, the Legislature enacted additional legislation relating to medical marijuana. One of those statutes requires the Attorney General to adopt “guidelines to ensure the security and nondiversion of marijuana grown for medical use.” (Health & Saf. Code, § 11362.81(d).¹) To fulfill this mandate, this Office is issuing the following guidelines to (1) ensure that marijuana grown for medical purposes remains secure and does not find its way to non-patients or illicit markets, (2) help law enforcement agencies perform their duties effectively and in accordance with California law, and (3) help patients and primary caregivers understand how they may cultivate, transport, possess, and use medical marijuana under California law.

I. SUMMARY OF APPLICABLE LAW

A. California Penal Provisions Relating to Marijuana.

The possession, sale, cultivation, or transportation of marijuana is ordinarily a crime under California law. (See, e.g., § 11357 [possession of marijuana is a misdemeanor]; § 11358 [cultivation of marijuana is a felony]; Veh. Code, § 23222 [possession of less than 1 oz. of marijuana while driving is a misdemeanor]; § 11359 [possession with intent to sell any amount of marijuana is a felony]; § 11360 [transporting, selling, or giving away marijuana in California is a felony; under 28.5 grams is a misdemeanor]; § 11361 [selling or distributing marijuana to minors, or using a minor to transport, sell, or give away marijuana, is a felony].)

B. Proposition 215 - The Compassionate Use Act of 1996.

On November 5, 1996, California voters passed Proposition 215, which decriminalized the cultivation and use of marijuana by seriously ill individuals upon a physician’s recommendation. (§ 11362.5.) Proposition 215 was enacted to “ensure that seriously ill Californians have the right to obtain and use marijuana for medical purposes where that medical use is deemed appropriate and has been recommended by a physician who has determined that the person’s health would benefit from the use of marijuana,” and to “ensure that patients and their primary caregivers who obtain and use marijuana for

¹ Unless otherwise noted, all statutory references are to the Health & Safety Code.

medical purposes upon the recommendation of a physician are not subject to criminal prosecution or sanction.” (§ 11362.5(b)(1)(A)-(B).)

The Act further states that “Section 11357, relating to the possession of marijuana, and Section 11358, relating to the cultivation of marijuana, shall not apply to a patient, or to a patient’s primary caregiver, who possesses or cultivates marijuana for the personal medical purposes of the patient upon the written or verbal recommendation or approval of a physician.” (§ 11362.5(d).) Courts have found an implied defense to the transportation of medical marijuana when the “quantity transported and the method, timing and distance of the transportation are reasonably related to the patient’s current medical needs.” (*People v. Trippet* (1997) 56 Cal.App.4th 1532, 1551.)

C. Senate Bill 420 - The Medical Marijuana Program Act.

On January 1, 2004, Senate Bill 420, the Medical Marijuana Program Act (MMP), became law. (§§ 11362.7-11362.83.) The MMP, among other things, requires the California Department of Public Health (DPH) to establish and maintain a program for the voluntary registration of qualified medical marijuana patients and their primary caregivers through a statewide identification card system. Medical marijuana identification cards are intended to help law enforcement officers identify and verify that cardholders are able to cultivate, possess, and transport certain amounts of marijuana without being subject to arrest under specific conditions. (§§ 11362.71(e), 11362.78.)

It is mandatory that all counties participate in the identification card program by (a) providing applications upon request to individuals seeking to join the identification card program; (b) processing completed applications; (c) maintaining certain records; (d) following state implementation protocols; and (e) issuing DPH identification cards to approved applicants and designated primary caregivers. (§ 11362.71(b).)

Participation by patients and primary caregivers in the identification card program is voluntary. However, because identification cards offer the holder protection from arrest, are issued only after verification of the cardholder’s status as a qualified patient or primary caregiver, and are immediately verifiable online or via telephone, they represent one of the best ways to ensure the security and non-diversion of marijuana grown for medical use.

In addition to establishing the identification card program, the MMP also defines certain terms, sets possession guidelines for cardholders, and recognizes a qualified right to collective and cooperative cultivation of medical marijuana. (§§ 11362.7, 11362.77, 11362.775.)

D. Taxability of Medical Marijuana Transactions.

In February 2007, the California State Board of Equalization (BOE) issued a Special Notice confirming its policy of taxing medical marijuana transactions, as well as its requirement that businesses engaging in such transactions hold a Seller’s Permit. (<http://www.boe.ca.gov/news/pdf/medseller2007.pdf>.) According to the Notice, having a Seller’s Permit does not allow individuals to make unlawful sales, but instead merely provides a way to remit any sales and use taxes due. BOE further clarified its policy in a

June 2007 Special Notice that addressed several frequently asked questions concerning taxation of medical marijuana transactions. (<http://www.boe.ca.gov/news/pdf/173.pdf>.)

E. Medical Board of California.

The Medical Board of California licenses, investigates, and disciplines California physicians. (Bus. & Prof. Code, § 2000, et seq.) Although state law prohibits punishing a physician simply for recommending marijuana for treatment of a serious medical condition (§ 11362.5(c)), the Medical Board can and does take disciplinary action against physicians who fail to comply with accepted medical standards when recommending marijuana. In a May 13, 2004 press release, the Medical Board clarified that these accepted standards are the same ones that a reasonable and prudent physician would follow when recommending or approving any medication. They include the following:

1. Taking a history and conducting a good faith examination of the patient;
2. Developing a treatment plan with objectives;
3. Providing informed consent, including discussion of side effects;
4. Periodically reviewing the treatment's efficacy;
5. Consultations, as necessary; and
6. Keeping proper records supporting the decision to recommend the use of medical marijuana.

(http://www.mbc.ca.gov/board/media/releases_2004_05-13_marijuana.html.)

Complaints about physicians should be addressed to the Medical Board (1-800-633-2322 or www.mbc.ca.gov), which investigates and prosecutes alleged licensing violations in conjunction with the Attorney General's Office.

F. The Federal Controlled Substances Act.

Adopted in 1970, the Controlled Substances Act (CSA) established a federal regulatory system designed to combat recreational drug abuse by making it unlawful to manufacture, distribute, dispense, or possess any controlled substance. (21 U.S.C. § 801, et seq.; *Gonzales v. Oregon* (2006) 546 U.S. 243, 271-273.) The CSA reflects the federal government's view that marijuana is a drug with "no currently accepted medical use." (21 U.S.C. § 812(b)(1).) Accordingly, the manufacture, distribution, or possession of marijuana is a federal criminal offense. (*Id.* at §§ 841(a)(1), 844(a).)

The incongruity between federal and state law has given rise to understandable confusion, but no legal conflict exists merely because state law and federal law treat marijuana differently. Indeed, California's medical marijuana laws have been challenged unsuccessfully in court on the ground that they are preempted by the CSA. (*County of San Diego v. San Diego NORML* (July 31, 2008) --- Cal.Rptr.3d ---, 2008 WL 2930117.) Congress has provided that states are free to regulate in the area of controlled substances, including marijuana, provided that state law does not positively conflict with the CSA. (21 U.S.C. § 903.) Neither Proposition 215, nor the MMP, conflict with the CSA because, in adopting these laws, California did not "legalize" medical marijuana, but instead exercised the state's reserved powers to not punish certain marijuana offenses under state law when a physician has recommended its use to treat a serious medical condition. (See *City of Garden Grove v. Superior Court (Kha)* (2007) 157 Cal.App.4th 355, 371-373, 381-382.)

In light of California's decision to remove the use and cultivation of physician-recommended marijuana from the scope of the state's drug laws, this Office recommends that state and local law enforcement officers not arrest individuals or seize marijuana under federal law when the officer determines from the facts available that the cultivation, possession, or transportation is permitted under California's medical marijuana laws.

II. DEFINITIONS

A. **Physician's Recommendation:** Physicians may not prescribe marijuana because the federal Food and Drug Administration regulates prescription drugs and, under the CSA, marijuana is a Schedule I drug, meaning that it has no recognized medical use. Physicians may, however, lawfully issue a verbal or written recommendation under California law indicating that marijuana would be a beneficial treatment for a serious medical condition. (§ 11362.5(d); *Conant v. Walters* (9th Cir. 2002) 309 F.3d 629, 632.)

B. **Primary Caregiver:** A primary caregiver is a person who is designated by a qualified patient and "has consistently assumed responsibility for the housing, health, or safety" of the patient. (§ 11362.5(e).) California courts have emphasized the consistency element of the patient-caregiver relationship. Although a "primary caregiver who consistently grows and supplies . . . medicinal marijuana for a section 11362.5 patient is serving a health need of the patient," someone who merely maintains a source of marijuana does not automatically become the party "who has consistently assumed responsibility for the housing, health, or safety" of that purchaser. (*People ex rel. Lungren v. Peron* (1997) 59 Cal.App.4th 1383, 1390, 1400.) A person may serve as primary caregiver to "more than one" patient, provided that the patients and caregiver all reside in the same city or county. (§ 11362.7(d)(2).) Primary caregivers also may receive certain compensation for their services. (§ 11362.765(c) ["A primary caregiver who receives compensation for actual expenses, including reasonable compensation incurred for services provided . . . to enable [a patient] to use marijuana under this article, or for payment for out-of-pocket expenses incurred in providing those services, or both, . . . shall not, on the sole basis of that fact, be subject to prosecution" for possessing or transporting marijuana].)

C. **Qualified Patient:** A qualified patient is a person whose physician has recommended the use of marijuana to treat a serious illness, including cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which marijuana provides relief. (§ 11362.5(b)(1)(A).)

D. **Recommending Physician:** A recommending physician is a person who (1) possesses a license in good standing to practice medicine in California; (2) has taken responsibility for some aspect of the medical care, treatment, diagnosis, counseling, or referral of a patient; and (3) has complied with accepted medical standards (as described by the Medical Board of California in its May 13, 2004 press release) that a reasonable and prudent physician would follow when recommending or approving medical marijuana for the treatment of his or her patient.

III. GUIDELINES REGARDING INDIVIDUAL QUALIFIED PATIENTS AND PRIMARY CAREGIVERS

A. State Law Compliance Guidelines.

1. **Physician Recommendation:** Patients must have a written or verbal recommendation for medical marijuana from a licensed physician. (§ 11362.5(d).)

2. **State of California Medical Marijuana Identification Card:** Under the MMP, qualified patients and their primary caregivers may voluntarily apply for a card issued by DPH identifying them as a person who is authorized to use, possess, or transport marijuana grown for medical purposes. To help law enforcement officers verify the cardholder's identity, each card bears a unique identification number, and a verification database is available online (www.calmmp.ca.gov). In addition, the cards contain the name of the county health department that approved the application, a 24-hour verification telephone number, and an expiration date. (§§ 11362.71(a); 11362.735(a)(3)-(4); 11362.745.)

3. **Proof of Qualified Patient Status:** Although verbal recommendations are technically permitted under Proposition 215, patients should obtain and carry written proof of their physician recommendations to help them avoid arrest. A state identification card is the best form of proof, because it is easily verifiable and provides immunity from arrest if certain conditions are met (see section III.B.4, below). The next best forms of proof are a city- or county-issued patient identification card, or a written recommendation from a physician.

4. **Possession Guidelines:**

a) **MMP:**² Qualified patients and primary caregivers who possess a state-issued identification card may possess 8 oz. of dried marijuana, and may maintain no more than 6 mature or 12 immature plants per qualified patient. (§ 11362.77(a).) But, if "a qualified patient or primary caregiver has a doctor's recommendation that this quantity does not meet the qualified patient's medical needs, the qualified patient or primary caregiver may possess an amount of marijuana consistent with the patient's needs." (§ 11362.77(b).) Only the dried mature processed flowers or buds of the female cannabis plant should be considered when determining allowable quantities of medical marijuana for purposes of the MMP. (§ 11362.77(d).)

b) **Local Possession Guidelines:** Counties and cities may adopt regulations that allow qualified patients or primary caregivers to possess

² On May 22, 2008, California's Second District Court of Appeal severed Health & Safety Code § 11362.77 from the MMP on the ground that the statute's possession guidelines were an unconstitutional amendment of Proposition 215, which does not quantify the marijuana a patient may possess. (See *People v. Kelly* (2008) 163 Cal.App.4th 124, 77 Cal.Rptr.3d 390.) The Third District Court of Appeal recently reached a similar conclusion in *People v. Phomphakdy* (July 31, 2008) --- Cal.Rptr.3d ---, 2008 WL 2931369. The California Supreme Court has granted review in *Kelly* and the Attorney General intends to seek review in *Phomphakdy*.

medical marijuana in amounts that exceed the MMP's possession guidelines. (§ 11362.77(c).)

c) **Proposition 215:** Qualified patients claiming protection under Proposition 215 may possess an amount of marijuana that is “reasonably related to [their] current medical needs.” (*People v. Trippet* (1997) 56 Cal.App.4th 1532, 1549.)

B. Enforcement Guidelines.

1. **Location of Use:** Medical marijuana may not be smoked (a) where smoking is prohibited by law, (b) at or within 1000 feet of a school, recreation center, or youth center (unless the medical use occurs within a residence), (c) on a school bus, or (d) in a moving motor vehicle or boat. (§ 11362.79.)

2. **Use of Medical Marijuana in the Workplace or at Correctional Facilities:** The medical use of marijuana need not be accommodated in the workplace, during work hours, or at any jail, correctional facility, or other penal institution. (§ 11362.785(a); *Ross v. RagingWire Telecomms., Inc.* (2008) 42 Cal.4th 920, 933 [under the Fair Employment and Housing Act, an employer may terminate an employee who tests positive for marijuana use].)

3. **Criminal Defendants, Probationers, and Parolees:** Criminal defendants and probationers may request court approval to use medical marijuana while they are released on bail or probation. The court's decision and reasoning must be stated on the record and in the minutes of the court. Likewise, parolees who are eligible to use medical marijuana may request that they be allowed to continue such use during the period of parole. The written conditions of parole must reflect whether the request was granted or denied. (§ 11362.795.)

4. **State of California Medical Marijuana Identification Cardholders:** When a person invokes the protections of Proposition 215 or the MMP and he or she possesses a state medical marijuana identification card, officers should:

a) Review the identification card and verify its validity either by calling the telephone number printed on the card, or by accessing DPH's card verification website (<http://www.calmmp.ca.gov>); and

b) If the card is valid and not being used fraudulently, there are no other indicia of illegal activity (weapons, illicit drugs, or excessive amounts of cash), and the person is within the state or local possession guidelines, the individual should be released and the marijuana should not be seized. Under the MMP, “no person or designated primary caregiver in possession of a valid state medical marijuana identification card shall be subject to arrest for possession, transportation, delivery, or cultivation of medical marijuana.” (§ 11362.71(e).) Further, a “state or local law enforcement agency or officer shall not refuse to accept an identification card issued by the department unless the state or local law enforcement agency or officer

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has reasonable cause to believe that the information contained in the card is false or fraudulent, or the card is being used fraudulently.” (§ 11362.78.)

5. **Non-Cardholders:** When a person claims protection under Proposition 215 or the MMP and only has a locally-issued (i.e., non-state) patient identification card, or a written (or verbal) recommendation from a licensed physician, officers should use their sound professional judgment to assess the validity of the person’s medical-use claim:

- a) Officers need not abandon their search or investigation. The standard search and seizure rules apply to the enforcement of marijuana-related violations. Reasonable suspicion is required for detention, while probable cause is required for search, seizure, and arrest.
- b) Officers should review any written documentation for validity. It may contain the physician’s name, telephone number, address, and license number.
- c) If the officer reasonably believes that the medical-use claim is valid based upon the totality of the circumstances (including the quantity of marijuana, packaging for sale, the presence of weapons, illicit drugs, or large amounts of cash), and the person is within the state or local possession guidelines or has an amount consistent with their current medical needs, the person should be released and the marijuana should not be seized.
- d) Alternatively, if the officer has probable cause to doubt the validity of a person’s medical marijuana claim based upon the facts and circumstances, the person may be arrested and the marijuana may be seized. It will then be up to the person to establish his or her medical marijuana defense in court.
- e) Officers are not obligated to accept a person’s claim of having a verbal physician’s recommendation that cannot be readily verified with the physician at the time of detention.

6. **Exceeding Possession Guidelines:** If a person has what appears to be valid medical marijuana documentation, but exceeds the applicable possession guidelines identified above, all marijuana may be seized.

7. **Return of Seized Medical Marijuana:** If a person whose marijuana is seized by law enforcement successfully establishes a medical marijuana defense in court, or the case is not prosecuted, he or she may file a motion for return of the marijuana. If a court grants the motion and orders the return of marijuana seized incident to an arrest, the individual or entity subject to the order must return the property. State law enforcement officers who handle controlled substances in the course of their official duties are immune from liability under the CSA. (21 U.S.C. § 885(d).) Once the marijuana is returned, federal authorities are free to exercise jurisdiction over it. (21 U.S.C. §§ 812(c)(10), 844(a); *City of Garden Grove v. Superior Court (Kha)* (2007) 157 Cal.App.4th 355, 369, 386, 391.)

IV. GUIDELINES REGARDING COLLECTIVES AND COOPERATIVES

Under California law, medical marijuana patients and primary caregivers may “associate within the State of California in order collectively or cooperatively to cultivate marijuana for medical purposes.” (§ 11362.775.) The following guidelines are meant to apply to qualified patients and primary caregivers who come together to collectively or cooperatively cultivate physician-recommended marijuana.

A. Business Forms: Any group that is collectively or cooperatively cultivating and distributing marijuana for medical purposes should be organized and operated in a manner that ensures the security of the crop and safeguards against diversion for non-medical purposes. The following are guidelines to help cooperatives and collectives operate within the law, and to help law enforcement determine whether they are doing so.

1. **Statutory Cooperatives:** A cooperative must file articles of incorporation with the state and conduct its business for the mutual benefit of its members. (Corp. Code, § 12201, 12300.) No business may call itself a “cooperative” (or “co-op”) unless it is properly organized and registered as such a corporation under the Corporations or Food and Agricultural Code. (*Id.* at § 12311(b).) Cooperative corporations are “democratically controlled and are not organized to make a profit for themselves, as such, or for their members, as such, but primarily for their members as patrons.” (*Id.* at § 12201.) The earnings and savings of the business must be used for the general welfare of its members or equitably distributed to members in the form of cash, property, credits, or services. (*Ibid.*) Cooperatives must follow strict rules on organization, articles, elections, and distribution of earnings, and must report individual transactions from individual members each year. (See *id.* at § 12200, et seq.) Agricultural cooperatives are likewise nonprofit corporate entities “since they are not organized to make profit for themselves, as such, or for their members, as such, but only for their members as producers.” (Food & Agric. Code, § 54033.) Agricultural cooperatives share many characteristics with consumer cooperatives. (See, e.g., *id.* at § 54002, et seq.) Cooperatives should not purchase marijuana from, or sell to, non-members; instead, they should only provide a means for facilitating or coordinating transactions between members.

2. **Collectives:** California law does not define collectives, but the dictionary defines them as “a business, farm, etc., jointly owned and operated by the members of a group.” (*Random House Unabridged Dictionary*; Random House, Inc. © 2006.) Applying this definition, a collective should be an organization that merely facilitates the collaborative efforts of patient and caregiver members – including the allocation of costs and revenues. As such, a collective is not a statutory entity, but as a practical matter it might have to organize as some form of business to carry out its activities. The collective should not purchase marijuana from, or sell to, non-members; instead, it should only provide a means for facilitating or coordinating transactions between members.

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.

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.

4. **Collectives Should Acquire, Possess, and Distribute Only Lawfully Cultivated Marijuana:** Collectives and cooperatives should acquire marijuana only from their constituent members, because only marijuana grown by a qualified patient or his or her primary caregiver may lawfully be transported by, or distributed to, other members of a collective or cooperative. (§§ 11362.765, 11362.775.) The collective or cooperative may then allocate it to other members of the group. Nothing allows marijuana to be purchased from outside the collective or cooperative for distribution to its members. Instead, the cycle should be a closed-circuit of marijuana cultivation and consumption with no purchases or sales to or from non-members. To help prevent diversion of medical marijuana to non-medical markets, collectives and cooperatives should document each member's contribution of labor, resources, or money to the enterprise. They also should track and record the source of their marijuana.

5. **Distribution and Sales to Non-Members are Prohibited:** State law allows primary caregivers to be reimbursed for certain services (including marijuana cultivation), but nothing allows individuals or groups to sell or distribute marijuana to non-members. Accordingly, a collective or cooperative may not distribute medical marijuana to any person who is not a member in good standing of the organization. A dispensing collective or cooperative may credit its members for marijuana they provide to the collective, which it may then allocate to other members. (§ 11362.765(c).) Members also may reimburse the collective or cooperative for marijuana that has been allocated to them. Any monetary reimbursement that members provide to the collective or cooperative should only be an amount necessary to cover overhead costs and operating expenses.

6. **Permissible Reimbursements and Allocations:** Marijuana grown at a collective or cooperative for medical purposes may be:

- a) Provided 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 reasonably calculated to cover overhead costs and operating expenses; or
- d) Any combination of the above.

7. **Possession and Cultivation Guidelines:** If a person is acting as primary caregiver to more than one patient under section 11362.7(d)(2), he or she may aggregate the possession and cultivation limits for each patient. For example, applying the MMP's basic possession guidelines, if a caregiver is responsible for three patients, he or she may possess up to 24 oz. of marijuana (8 oz. per patient) and may grow 18 mature or 36 immature plants. Similarly, collectives and cooperatives may cultivate and transport marijuana in aggregate amounts tied to its membership numbers. Any patient or primary caregiver exceeding individual possession guidelines should have supporting records readily available when:

- a) Operating a location for cultivation;
- b) Transporting the group's medical marijuana; and
- c) Operating a location for distribution to members of the collective or cooperative.

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8. **Security:** Collectives and cooperatives should provide adequate security to ensure that patients are safe and that the surrounding homes or businesses are not negatively impacted by nuisance activity such as loitering or crime. Further, to maintain security, prevent fraud, and deter robberies, collectives and cooperatives should keep accurate records and follow accepted cash handling practices, including regular bank runs and cash drops, and maintain a general ledger of cash transactions.

C. **Enforcement Guidelines:** Depending upon the facts and circumstances, deviations from the guidelines outlined above, or other indicia that marijuana is not for medical use, may give rise to probable cause for arrest and seizure. The following are additional guidelines to help identify medical marijuana collectives and cooperatives that are operating outside of state law.

1. **Storefront Dispensaries:** Although medical marijuana “dispensaries” have been operating in California for years, dispensaries, as such, are not recognized under the law. As noted above, the only recognized group entities are cooperatives and collectives. (§ 11362.775.) It is the opinion of this Office that a properly organized and operated collective or cooperative that dispenses medical marijuana through a storefront may be lawful under California law, but that dispensaries that do not substantially comply with the guidelines set forth in sections IV(A) and (B), above, are likely operating outside the protections of Proposition 215 and the MMP, and that the individuals operating such entities may be subject to arrest and criminal prosecution under California law. For example, dispensaries that merely require patients to complete a form summarily designating the business owner as their primary caregiver – and then offering marijuana in exchange for cash “donations” – are likely unlawful. (*Peron, supra*, 59 Cal.App.4th at p. 1400 [cannabis club owner was not the primary caregiver to thousands of patients where he did not consistently assume responsibility for their housing, health, or safety].)

2. **Indicia of Unlawful Operation:** When investigating collectives or cooperatives, law enforcement officers should be alert for signs of mass production or illegal sales, including (a) excessive amounts of marijuana, (b) excessive amounts of cash, (c) failure to follow local and state laws applicable to similar businesses, such as maintenance of any required licenses and payment of any required taxes, including sales taxes, (d) weapons, (e) illicit drugs, (f) purchases from, or sales or distribution to, non-members, or (g) distribution outside of California.