

Project Description

OPERATIONS PLAN

This is the written Project Description for 7632 Pacific St Stockton. This plan addresses and meets the application requirements for the City of Stockton Medical Marijuana Program Rules and Regulations (“City”).

EXECUTIVE SUMMARY

Pacific Street Dispensary (“PD”) is a not-for-profit dispensary collective organized as a mutual benefit corporation under the laws of the State of California. Founded in 2017, we plan to operate a medical cannabis dispensary at 7632 Pacific Street if awarded a permit by the City. Our planned dispensary will use a patient-centered care model, collaborating with community stakeholders to provide quality and affordable care to all residents, including minority and underserved populations. We will be open 7 days a week from 7am to 8pm.

We will provide our patients with safe products, professionally packaged, and presented in a compassionate, service-focused way in a comfortable setting by well-trained staff. Patient education is a key element of our approach, and will be part of an array of wellness and support services we offer our patients.

Pacific Street Dispensary is governed by community leaders and industry professionals with over 35 years in combined management, finance, legal, government, and industry expertise. .

Our dispensary is being designed and built to feature state of the art technology with forward-looking green practices. Security and safety are critical components of our operations. We also plan to take every effort to be “good neighbors” in the community. This means providing extensive community outreach, including hiring, indigent care, and public involvement. It also means minimizing any negative impacts or nuisances that may arise from our operations.

Our key objectives are:

- To provide safe and legal access to medical cannabis for all qualified patients regardless of their ability to pay;
- To revitalize our neighborhood and contribute to Stockton’s wider economic development through job creation, increased tax base, education and outreach.
- To be the definitive example of a properly run and legally operating cannabis business in the City of Stockton.

Previous Building Description

The building is currently being 50% occupied by a restaurant, the portion we will occupy was a banquet hall. We will either find a new restaurant to occupy the area or redo it for a different use.

IMPLEMENTATION STRATEGY

Pacific Street collective will use a community-driven, patient-centered care approach that will benefit all Stockton residents, including delivering care in a way that makes quality,

All products in store will be purchased from other vendors , no onsite manufacturing.

UJ's Restuarant to move out at close of escrow which is to occur at the issuance of our CUP.

BUILDING AND CONSTRUCTION PLAN

Our proposed dispensary facility will be located in an existing building in the Commercial zone, at 7632 Pacific Street Stockton, California. This district is a mix of commercial and retail establishments in Stockton.

The existing facility consists of one parcel, occupied by a large single-story, approximately 13,000 square-foot building sitting on 1.8 acres. The dispensary will occupy roughly 50% of the building or 6500 square feet. The balance of the building may be rented to another restuarant in the future or used as office space.

The plans for conversion and upgrade of the existing facility keep several goals in mind.:

- Complying with all City of Stockton code requirements,
- Meeting and exceeding safety and efficiency standards specific to the type of operations proposed, and
- Constructing an aesthetically appealing location that the City of Stockton will be proud of.

The new facility is designed to maximize the safety of our patients, employees, and neighbors, as well as the safety and security of our products.

See Architectural Plan.

affordable medical cannabis available to underserved minority, low-income and indigent populations. This complex commitment dictates the features of our implementation strategy:

- Patient-centered care,
- A professional clinical setting,
- Product variety,
- Scientific quality control,
- A skilled and knowledgeable staff,
- Investment in sustainable operations and community outreach.

A. Patient-Centered Care

The crucial element of our PCC approach will be communicating with them in the terms they are comfortable with. This requires that our staff be well-trained, knowledgeable about the community that they live in as well, and competent to interact appropriately with individuals from different backgrounds and levels of “medical literacy.” Our PCC-focused dispensary will provide:

- A welcoming environment,
- Emphasis on patient comfort and support,
- Community outreach and collaboration, and
- Thorough education on the benefits of medical Cannabis,

A. Complementary Therapies and Support Services

It is crucial to our implementation strategy that we are not simply a cannabis dispensary. Our focus is on overall health and wellness, and as such, we must be a wellness clinic that offers more than medical cannabis. Offering an array of peripheral services is central to our holistic, patient-centered approach to healthcare.

We understand that we are not replacing traditional health care, but we seek to become its essential complement for patients who appreciate and need a customized, holistic, and coordinated approach to wellness. We will offer several types of support services:

- Free classes, workshops, and support groups, Onsite in classroom
- An on-site library providing, in multiple languages and in both written and video formats, patient information on medical cannabis, holistic healing, legality issues, and cannabis advocacy/activism,
- Patient advocacy and care coordination/referral to other providers and organizations.

B. Professional Clinical Setting

The compassionate mission of medical cannabis is ill served by reminders of the counterculture and association with the image of the typical “stoner.” Our atmosphere will be designed to move medical cannabis away from any association with the

counterculture and focus attention on its scientific and medical legitimacy. In keeping with this, our dispensary collective will maintain the professional look and feel of a medical service clinic, and the fact that our products are scientifically cultivated and tested will be the one of the key elements we use.

C. Strain Variety

Different strains of cannabis have different therapeutic and palliative effects, some offering relief from a given condition more than others. Furthermore, patients with serious medical conditions, such as those with wasting syndrome or undergoing chemotherapy for cancer, can have very specific tolerances, intolerances, and idiopathic reactions to medication. To offer patients customized treatment options it is critical that we provide as wide a variety of strains of medical cannabis and dosing options as well as various methods of consumption such as edibles, tinctures, topicals, and inhalation.

D. Scientific Quality Control

As discussed below, all our products will be tested for purity and potency by independent and reputable testing laboratories. We will follow all testing requirements as mandated by the City of Stockton and the State of California.

E. Skilled and Knowledgeable Member Staff

A crucial feature of our strategy is the extensive training that our staff will undergo to be able to advise patients on such things as the specific effects and side effects of various strains or consumption methods and their benefits for specific medical conditions.

Our staff will be trained on the known effects of particular medical cannabis strains. Each patient will be individually counseled on what their best options are based upon their condition.

F. Investment In Community Outreach

We are dedicated to giving back to our community by helping to support local 501(c)3 non-profits geared towards youth organizations in the City of Stockton. The first year alone we will donate at least \$50,000.00 towards such organizations.

G. How the MMD will conform to local and state law, including Attorney Generals Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use.

Our business model is dictated by two constraints: the legal conditions placed by state and local governments on the operation of medical cannabis collectives and the commitments specific to our mission.

As a nonprofit collective, Pacific Street facilitates the collaborative efforts of its patient and caregiver members — including the allocation of costs and revenues — to cultivate physician-recommended cannabis. For practical purposes, we are organized as a nonprofit mutual benefit corporation to carry out our activities. In organizing our collective, Pacific Street has taken great care to ensure patient and neighborhood security, to design our operations so as to prevent cannabis diversion, and to comply with all applicable laws, including state and local laws. To ensure lawful operation, Pacific Street will:

- Require membership application and patient verification,
- Acquire, possess, and distribute only lawfully cultivated cannabis,
- Not distribute and/or sell cannabis to non-members,
- Comply with permissible reimbursements and allocations requirements,
- Provide adequate security to ensure patient safety and prevent the negative impact of any nuisance to surrounding homes and businesses,
- Keep accurate records and follow accepted cash handling practices, including regular bank runs and cash drops, and maintain a general ledger of cash transactions,
- Comply with possession and cultivation guidelines,
- Obtain necessary business licenses/permits and pay required sales taxes, and
- Meet IRS tax requirements for dispensaries.
- Keep up and comply with all existing State law, such as MMRSA (Medical Marijuana Regulation and Safety Act) which will become effective in 2018.

Pacific Street will operate as a closed-loop in which cannabis is cultivated, processed, acquired, distributed, and consumed only by members. All transactions will be internal to the collective and involve members interacting only with one another. No cannabis will be acquired from or distributed to non-members. All monies tendered will be for the sole purpose of reimbursing the costs of products and services provided, as well as the overhead costs of operating the dispensary, including its community outreach programs.

Transactions between providing and receiving members will be consultative in nature, focused on matching product with patient needs in light of his or her medical condition, specific treatment limitations, and history of response to previous dispensary products.

All revenues in excess of the costs to operate our wellness facility will be used exclusively to sustain our charitable outreach and community benefits mission.

1. Membership Compliance

Membership in the collective is strictly limited to members in good standing. To be a member in good standing an individual must be a properly enrolled member whose status as a currently qualified patient or caregiver has been duly verified at the time he or she seeks services.

Under state law, Pacific Street members must have a serious medical condition for which cannabis is recommended in writing by a physician as a treatment. We will require all applicants for membership to provide a written proof of their physician recommendation, even if they have a private medical cannabis ID card, and we will require members to carry their recommendations or medical cannabis ID cards with them whenever in possession of medical cannabis.

2. Transparency and Oversight

To ensure transparency of our operations and easy verification and documentation that we are operating within the limits set for a non-profit collective and that our operations do form a closed loop with no outside diversion or acquisition, we will enforce strict oversight procedures regarding membership, facility access, operations, and documentation of legal compliance.

- We will verify all members' medical cannabis recommendations and medical cannabis identification cards and track when they expire so as to exclude from membership those whose credentials are invalid or have expired.
- Medical cannabis will only be distributed on the dispensary site.
- Except for our security, only dispensary collective members (patients and caregivers) will be allowed into the facility.
- All members must have a valid form of government-issued photo ID that matches their medical cannabis recommendation or ID.
- All employee members responsible for the handling, dispensing, and providing of cannabis will be duly enrolled members: either patients or designated caregivers.
- Membership of those caught diverting cannabis to non-members or for non-medical use will be revoked. We will not dispense cannabis to anyone whose membership has been revoked.

3. Verification, Paperwork, and Tracking

a. Verification.

California allows patients and their designated caregivers to enroll in a voluntary state medical cannabis patient ID program that provides them with a government-issued card identifying them as legally-qualified medical cannabis patients or caregivers. These medical cannabis ID cards allow for easy verification of the cardholder's current eligibility status through a telephone or electronic verification system that dispensaries and law enforcement can access. It's important to note that the State ID card is a voluntary program and those who receive their medical recommendation from a private licensed physician are also compliant under State law. To be eligible for membership, we will verify a prospective member as follows:

- The individual's identity must be verified by a form of government-issued photo ID (separate from any medical cannabis ID).

- The individual must present proof of State residency.
- The enrolling officer of the dispensary must check to make sure the individual has not been a member in the past whose membership was revoked.
- In order to become a member, every patient applicant must present his or her physician's recommendation for the use of medical cannabis, regardless of whether the applicant possesses a medical cannabis ID card issued by the State of California or a private physician's office. (This is more than a compliance issue: because our focus is on providing health-focused patient-centered care, it is important that the first document in every patient's file be his or her doctor's recommendation so that we can take any specific information given by the doctor into consideration in recommending treatment options.) The presented document must be an original, not a copy. The validity of the physician's license to practice medicine in the state of California is verified. The physician is then contacted and the recommendation is verified.
- If the patient applicant does not have a California State Medical Cannabis ID Card or a private physician Medical Cannabis Patient ID Card, the individual will have to present the physician's recommendation at the time of each subsequent visit, and it will be matched against the copy on file.
- If the prospective patient presents a California State Medical Cannabis ID Card or a private physician Medical Cannabis Patient ID Card, the validity of the card is checked electronically or by phone. Subsequently, the member will not have to re-present his or her physician's recommendation at the time of each visit as long as he or she presents the medical cannabis ID card and it is found to be valid by the verification system.
- If the prospective member is a primary caregiver, the individual must present a Primary Caregiver Designation Agreement and Disclosure Form, signed and executed by the designating patient and designated caregiver, naming the prospective member as the patient's caregiver. The presented document must be an original, not a copy. The prospective member must also present a copy of the patient's physician recommendation. The patient is contacted to verify the validity of the agreement. The verification of the physician recommendation is the same as above.
- If the caregiver applicant does not have a State or private medical cannabis ID card, he or she must present the original caregiver agreement and a copy of the patient's recommendation at each subsequent visit, and they will be matched against the copies on file.

- If the caregiver applicant presents a State Medical Cannabis ID Card or a private physician Medical Cannabis Patient ID Card, the validity of the card is checked electronically or by phone. Subsequently, the caregiver member will not have to re-present the Caregiver Agreement or physician's recommendation at the time of each visit as long as he or she presents the medical cannabis ID card and it is found to be valid by the verification system.
- If all verifications are in order, the applicant is eligible to be enrolled as a member in our dispensary collective. The patient must still complete compliance paperwork and agree to membership rules before becoming a duly enrolled member, and must attend an orientation on dispensary rules, cannabis legality, and medical use of cannabis before membership becomes active and cannabis can be obtained.

b. Paperwork Compliance.

Compliance consists in the *Membership Agreement*. The prospective patient/caregiver member must read or have read to him/her all the compliance paperwork. He/she must attest in writing (by their signature) that they

- have received the paperwork,
- have read it or had it read to them,
- understand it, and
- agree to abide by all its rules and requirements.

c. Membership Tracking.

We plan to track our memberships using the MJ Freeway System. For every day, month, quarter, and year, we will track the total number of members, the number of members who visit the dispensary, the number of their visits, and the number, quantity, and type of products sold and on hand for sale, as well as the number of plants or products under cultivation or production. This will allow us to ensure and document for the purposes of regulatory compliance the aggregate amount of medical cannabis in our facility does not exceed allowable cannabis limits.

We also will keep accurate records of all transactions, whether cash or otherwise, as well as of all member's contributions, whether in the form of products acquired from them (such as plants, dried cannabis, edibles, or other preparations) or in the form of labor, money, or any other contributions.

Finally, we will track member's monthly cumulative buy amounts to ensure that patients do not exceed the amounts recommended by their physicians and to monitor for patterns suggestive of diversion or abuse. We estimate the average patient's legitimate monthly use to be approximately 1 oz. Buy amounts frequently or significantly exceeding this will be reviewed by staff.

All books, records, and accounts, including those related to membership, will be maintained to comply with applicable laws and regulations.

D. Tax Compliance and Accounting

We will comply with local, state, and federal tax requirements. We are well aware of the unique federal tax implications for medical cannabis businesses, and have consulted with appropriate professionals to ensure full compliance with the Internal Revenue Service's treatment of medical marijuana. We understand that for any drug that is considered illegal by the Federal government, including medical marijuana (albeit legal according to the State of California), a 1982 tax code prohibits cost deductions for our business. The IRS does allow for cost of goods sold deductions, however; therefore, our financial projections apply federal income tax to our projected gross profit, or gross sales less cost of goods sold.

H. Insurance

We will obtain the required commitments necessary for insurance coverage, including general aggregate, products, complete operations, personal and advertising injury, per occurrence, and medical payment coverage.

PRODUCTS AND SERVICES

A. Products

1. Dried Cannabis: Sativa, Indica, & Hybrids

The effectiveness of cannabis is directly related to strain selection; therefore we will recommend care be taken in selecting appropriate strains to meet patient needs. Patients will be encouraged to use vaporizers, or ingest cannabis medicine to reduce any potential risks from smoking.

Finished, dried, manicured, cured medical cannabis will be sold in .5g increments. We plan to begin with 25-50 medicinal varieties of cannabis.

2. Edibles

We plan to offer several different edible product lines to cater to the various medical, nutritional, financial and taste needs of patients. Infusing cannabis into foods is a long-practiced and very effective method to use cannabis as medicine. Careful dosing is important. Edibles can be used as effectively as smoking or vaporizing. All purchased from reputable third party vendors.

a. Concentrates

This type will ensure patients have a variety of consumption methods that suit each person's needs and lifestyle. Our line is designed to provide high levels of cannabinoids and THC in a readily accessible form which provides instant relief for serious conditions.

b. Medicinals

This type is designed to conveniently access the palliative as well as curative properties of cannabis. Each different delivery method of ingestion is targeted to treat specific diseases; for example, capsules and have the potency to provide curative treatment, while the Oral Spray and Chewing Gum are designed for immediate palliative treatment of pain or spasticity.

c. Topicals

This type is designed to provide topical applications of cannabis for arthritic patients, or patients with injuries. Topicals have an analgesic and anti-inflammatory effect to reduce or eliminate pain.

d. Tinctures

Tinctures are not new. Tinctures are alcohol extractions of whole cannabis (usually the flowers and trim leaves). This line is designed to make dose control easy for patients, with rapid absorption and effect. Tinctures can be flavored for better taste.

I. Services

We will offer all a full range of supportive services for our target patients. At the time we open our doors, we believe that these services will be most important to the wellness and needs of our medical cannabis patients, onsite in our classroom:

- Classes on medical cannabis compliance,
- Classes on pain management, wellness strategies, and oncology issues,
- Counseling services focusing on proper medication practices and avoiding substance misuse,
- Educational seminar/support group for those new to medical cannabis,
- Horticulture classes and programs on growing your own medicine (including organic and solar),
- Individual counseling,
- A library providing patient information on medical cannabis, holistic healing, legality issues, and advocacy/activism, and
- Select specialty workshops.

All these services will be available to members, free of charge. Their retention will depend on continuing demand and what we learn through our Community Needs Assessment, as discussed below. Additional services, including one or more of those set forth in the list of potential expansion services may be added based upon patient and community feedback.

Patient education will be taking place in the context of virtually every service we offer. As part of our education and counseling, we will offer a library that will include information on general holistic healing, cannabis use, and research. We plan to offer our material in a variety of formats, including print material, dvds, and online resources.

OPERATIONS

A. Patient Care

1. Orientation

All new members must attend a group orientation where basic critical information is reviewed. This will include legal information such as:

- Where and when patients may legally use cannabis, with special attention paid to situations where it is expressly illegal regardless of medical cannabis qualifying status and situations where legality may be ambiguous and subject to conflicting interpretation, and
- What to do if stopped by law enforcement for possession or use of cannabis.

It will also cover medical and safety issues:

- Basic types of cannabis and their various benefits and effects,
- Safe and proper use of cannabis,
- Keeping medication away from children and preventing diversion.

2. Patient Handbook

Each new member patient will receive a Patient Handbook. The new Patient Handbook will include:

- Patient Guidelines to Stay Safe and Healthy
- Patients' Rights
- California Medical cannabis Law Overview
- Services
- Guide to Using cannabis
- Sativa vs. Indica
- Understanding Edibles
- Applications for Cannabis and Cannabinoids
- Ailment Specific Strains
- Substance Use Prevention
- References and Resources

3. *Dispensary Access*

Patient members (hereafter in this document “patient members” shall include non-staff members of the collective who are designated primary caregivers as well as patients *stricto sensu*) enter the dispensary through the secure patient screening area. To proceed beyond the screening area, members must have their membership verified by security personnel. This requires in all cases two kinds of documents:

- 1) their dispensary membership ID card,
- 2) a government-issued form of photo ID (other than a medical cannabis ID card), and
- 3) their medical cannabis eligibility documentation: either a) their California State Medical Cannabis ID, or b) their physician’s medical cannabis recommendation (if a patient) or their Primary Caregiver Designation Agreement and Disclosure Form, along with a copy of the designating patient’s recommendation (if a caregiver).

Transactions involving cannabis will not take place without verification of the member’s current status as a qualified patient or caregiver and as a dispensary member in good standing. Members will not be allowed to acquire more than reasonable and medically recommended amounts within any 24 hour period.

All receipts for medical cannabis dispensed will bear on their reverse side a Membership Disclosure Statement attesting that the recipient is a member in good standing of our dispensary collective and that the recipient’s eligibility to receive medical cannabis was duly verified at the time of the transaction.

4. *Feedback*

Pacific Street will solicit continual member feedback, take specific action to mitigate any member dissatisfaction, and follow up to measure the success of the mitigation actions undertaken. We will keep a log of all member complaints, of the response action taken, of the names of those assigned accountability for implementing and following up on the success of the mitigation, and of the ultimate outcome as measured against both management expectations and reevaluated member satisfaction. Mitigation will continue until management and member satisfaction is complete and documented. A comprehensive internal performance assessment will take place not less than annually and will, among other self-assessment methods used, review these logs extensively to ensure that our dispensary collective is successfully employing as its standard procedure a self-correcting and improving operations model.

J. Non-Diversion: Inventory Control

The MJ Freeway State Traceability System enables government agencies, at the state and local level, to track the production, transportation, destruction and sales of legal cannabis. Licensed Cannabis businesses utilize the Commercial System as a business platform which supports them in remaining fully compliant when tracking all aspects

of their day-to-day operations. All logs created and maintained within the Commercial System are also held in the State Traceability System, allowing regulatory agencies to view reports in real-time.

The system has extensive reporting capabilities to assist state and local governments with enforcing regulations, collecting taxes and preventing illegal cannabis diversion and inversion. The system allows regulatory agencies to view every gram of legal cannabis throughout the production life cycle. Having emerged from the medical software industry, the technology was originally developed as a prescription drug and methamphetamine precursor tracking system to assist state government and law enforcement agencies in preventing drug diversion and promoting public safety. The Traceability system has passed a SAS No. 70 audit (now SSAE 16) to certify the System's compliance with strict standards for electronic prescriptions of all legal classes of medication.

We will switch POS systems once California implements their own mandatory system.

K. Labeling

CALIFORNIA

Assembly Bill 266 was passed and includes the following regulations for packaging and labeling:

(a) Prior to delivery or sale at a dispensary, medical cannabis products shall be labeled and in a tamper-evident package. Labels and packages of medical cannabis products shall meet the following requirements:

The final label on all cannabis products dispensed to patient members will clearly bear the following information:

- (1) Medical cannabis packages and labels shall not be made to be attractive to children.
- (2) All medical cannabis product labels shall include the following information, prominently displayed and in a clear and legible font:
 - (A) Manufacture date and source.
 - (B) The statement "SCHEDULE I CONTROLLED SUBSTANCE."
 - (C) The statement "KEEP OUT OF REACH OF CHILDREN AND ANIMALS" in bold print.
 - (D) The statement "FOR MEDICAL USE ONLY."
 - (E) The statement "THE INTOXICATING EFFECTS OF THIS PRODUCT MAY BE DELAYED BY UP TO TWO HOURS."
 - (F) The statement "THIS PRODUCT MAY IMPAIR THE ABILITY TO DRIVE OR OPERATE MACHINERY. PLEASE USE EXTREME CAUTION."
 - (G) For packages containing only dried flower, the net weight of medical cannabis in the package.
 - (H) A warning if nuts or other known allergens are used.

- (I) List of pharmacologically active ingredients, including, but not limited to, tetrahydrocannabinol (THC), cannabidiol (CBD), and other cannabinoid content, the THC and other cannabinoid amount in milligrams per serving, servings per package, and the THC and other cannabinoid amount in milligrams for the package total.
- (J) Clear indication, in bold type, that the product contains medical cannabis.
- (K) Identification of the source and date of cultivation and manufacture.
- (L) Any other requirement set by the bureau.
- (M) Information associated with the unique identifier issued by the Department of Food and Agriculture pursuant to Section 11362.777 of the Health and Safety Code.
 - (b) Only generic food names may be used to describe edible medical cannabis products.

L. Patient Recordkeeping

To protect patient confidentiality, records will, as required by the State's guidelines, be kept not under patients' names, but under their state or private medical cannabis ID number or an assigned dispensary membership number if they do not have a state or private ID. The dispensary will track when members' recommendations or IDs expire to avoid providing cannabis to ineligible patients. Finally, we will track member's monthly cumulative buy amounts to ensure that patients do not exceed the amounts recommended by their physicians and to monitor for patterns suggestive of diversion or abuse.

Only authorized staff and dispensary Directors will have access to patient records, which will be kept electronically in a secure on-site database and subject to the same level of security and confidentiality as other types of health information in traditional medical settings.

To the extent required by law, patient record-keeping will be fully HIPAA-compliant.

M. Reporting

If requested by the City of Stockton, the dispensary will provide the following information to the City, no later than 24 hours after the request:

- The total number of members of the dispensary,
- A list of all medical cannabis products for sale during the previous calendar quarter, their prices, and the end-of-quarter quantity on hand.
- Books, records, accounts and all other data relevant to its permitted activities for its purpose of conducting an audit or examination

N. Safety

1. Patient Safety

The safety of our patients and their information is important to us. Other than security guards, only members will be allowed in our facility. No one can gain access to the facility without passing through a secure screening area. This access point is secured by our security guards. The interior patient area is monitored on video surveillance by security personnel for any disturbances. Patient information is kept encrypted on a secure, password-protected database that only authorized staff can access and never directly associated with patients names.

2. Product Safety

The purpose of product safety protocols is to ensure that our medical cannabis is:

- Free of pests and microbiological contaminants, toxins, pesticides and non-organic nutrient residues,
- Medicinally potent, and
- Properly labeled to strength of active ingredients.

FIRE PLAN

To make sure we develop a fire protection plan adequate in all of the occupancy categories relevant to a medical cannabis dispensary, we will partner with an outside consultant to evaluate our building and assist us in crafting a comprehensive plan.

O. Background

We fully understand the importance of fire safety for this operations. We will do our best to learn from other examples in order to prevent problems from occurring with our facility.

We recognize that a prime motivation for regulating medical cannabis dispensaries is to protect the peace, health, safety, and welfare of the community from these types of problems. Electrical fires not only cause millions of dollars of property damage annually, but they also affect lives.

Because of the complex nature of a dispensary, which combines moderate-hazard manufacturing, medical-type services, and finished goods made available to a limited public, it needs to meet safety standards for F-1 (moderate-hazard manufacturing), B (professional service), and M (merchant) occupancy classifications.

P. Fire Plan Overview

1. Preventive Safety Measures

a. Patient Service Areas of the Dispensary

Fire safety measures must be adopted in the dispensary areas that will be frequented by patient members:

- Promulgation of a strict no-smoking policy and other fire prevention rules to all members;
- Clearly marked and illuminated exits and evacuation routes; and
- A dispensary staff trained and routinely drilled in the proper procedures to evacuate members.

2. Fire Suppression

We will employ many techniques to mitigate and control fires if they occur. Smart mitigation techniques limit fire damage and danger, and they conserve the resources of the Stockton Fire Department by reducing the number of incidents that require response by firefighters. These mitigation techniques include the following:

- Fire Alarms
- Sprinklers
- Extinguishers
- Monitoring Services
- Fire Evacuation Plan

3. *Standardization of Procedures*

Standardization of procedures is the only way to ensure accountability and comprehensive preparedness. Accordingly, We have developed a set of standardized forms and checklists to ensure that our safety procedures are correctly implemented and followed. In our Fire Safety Plan we provide a sample of these safety-procedure forms and checklists:

- Fire Risk Survey
- General Fire Prevention Checklist
- Exits Checklist
- Flammable and Combustible Material Checklist

COMMUNITY ENGAGEMENT

A. Outreach

Pacific Street Dispensary is committed to strong public engagement and outreach to the community. Our community outreach has three goals: (i) to establish a process by which the community can express itself regarding the project; (ii) to inform the community about medical cannabis issues; and (iii) to ensure that our approach genuinely reflects the community's needs. To reach our goals, we anticipate doing one or more of the following, depending on input at various stages of the project:

- Identifying and visiting civic, senior, and veteran organizations, health care support groups, and community meetings to introduce our nonprofit organization, our mission, and our vision for the patient care center. We believe this type of outreach establishes our legitimacy with the community and our vested interest in its welfare. We will listen receptively and respond to any concerns about the project.
- Holding or participating in a community meeting to introduce Pacific Street and present the project to any parties with similar goals. Again, our purpose would be to listen and find ways to be responsive. Completing our outreach efforts with a follow-up letter to community stakeholders, letting them know

that we heard their concerns and what procedures we will follow in responding to such concerns.

We are committed to engaging our patient and residential communities on an ongoing basis. We will partner with local community organizations to solicit volunteers for these positions.

R. Outreach Strategies

We will create public awareness in several ways:

1. Public Education

We can create public awareness of our dispensary and attract new members through our community outreach and education programs. By offering free workshops and seminars to potential patients and other healthcare providers on topics related to medical cannabis and the conditions for which it is typically recommended, as well as on legal issues surrounding medical cannabis, we make the existence of our organization known and attract members by positioning ourselves in the public mind as ambassadors of a socially responsible provider.

2. Developing Provider Alliances

An important element of our patient-centered approach is the help we will offer patient members in finding providers and services to handle other aspects of their care and in coordinating their care across their many different providers. To be able to do this, we must first build alliances with these other providers and organizations. However, alliances are two-way streets and will result in our getting referrals from them as well. A key part of this outreach initiative will be educating alliance partners on the benefits and legalities of medical cannabis, and on the processes involved in referring people for medical cannabis use. Hosting educational forums for other providers will therefore be a critical element in our business approach. Building strong alliances with other health care providers, community health clinics, hospices, community service organization, patient advocacy groups, support groups, AIDS organizations, senior homes, and referral networks will create a strong and lasting source of patient referrals. At the same time, it will give us greater resources to fulfill our own patient-centered mission, which includes helping patients find appropriate providers for services we do not offer and helping them coordinate their care across providers. Being known in the patient community as a wellness center with especially strong networking and referral resources will itself be a draw to patients with complex medical conditions.

3. Industry Leadership and Sponsorships

We will keep our corporate “brand” visible through sponsorships of community and industry causes and through industry activism that reflects our community-focused public health agenda and its emphasis on compassion and social justice.

4. *Public Relations*

Carefully managed messaging and coverage in local media can be a very effective means to create public awareness.

5. *Word of Mouth*

In the medical cannabis industry, satisfied members and their word of mouth is perhaps the most powerful generator of a growing membership. Many dispensaries report that “friend” is the most common answer reported on new patient intake forms when patients are asked to indicate how they heard about a dispensary. We do not intend to enlist patients to recruit new members or to offer any special incentives to do this. We will not need to. The high quality of supportive patient-centered care we offer as part of our basic mission will be incentive enough. We intend to operate as a “community center” for those suffering from serious medical conditions— what the literature on patient-centered care sometimes refers to as a “medical home-away-from-home” where patients can interact supportively with one another. Since non-members legally cannot be allowed in our facility, patients who appreciate this aspect of our services will naturally recommend membership to those of their friends who are also qualified medical cannabis patients.

S. *Community and Economic Development*

The City of Stockton has shown great interest in revitalization and community development plans that correct systemic inequities and benefit blighted areas and disadvantaged populations.

1. *Commitment to Local Hiring and Spending*

We are committed to making our project a source of economic stimulus for Stockton. From initial build-out of the facility to the implementation of our community development initiatives, we intend to contract, buy, and hire locally, taking advantage of local recruitment resources to offer employment to displaced local workers who are willing to be retrained.

We anticipate spending at least 80% of expenses on goods and services provided by local companies.

We believe that Phase I day-to-day operations will add up to 35 full-time employment opportunities to Stockton’s economy. The dispensary will contribute directly to the revitalization of its immediate neighborhood by funneling an influx of visitors from in and around Stockton into the vicinity of the dispensary, bringing incidental business to shops, restaurants, and other services in the area.

As part of our community development mission, we are committed to maximizing the benefits our dispensary will have on the Stockton economy. In making ongoing capital investments in new horticultural technologies and green energy sources we will create a stream of new one-time stimulus effects. To the extent

possible, we will invest in the development of these technologies locally so that we can also purchase them locally.

In implementing our Community Benefits programs, we will also attempt to ensure that Stockton reaps the benefits of direct expenditures and their multiplied effect. In providing interpreters, for example, we will seek to employ Stockton's residents. Whenever possible, we will use our local human resources and local vendors to implement our charitable programs.

2. *Indigent/Compassion Care Program*

In order to bring patient-centered care to underserved populations and effectively address the health disparities affecting them, We will have to support, as a fundamental part of its charitable mission, aggressive community outreach services that overcome each of these barriers:

- Providing free patient education services in a variety of formats, media, and languages;
- Providing free or sliding-scale products and services to indigent or low-income patients;

Finally by building alliances with other health-related organizations in Stockton, such as community health clinics, community service organizations, patient groups, and providers, we can share our strength, coordinate initiatives, and have a collective impact on public health for which Stockton can be proud.

We anticipate that our compassion care program will require further refinement, but we are committed to making our program be the model program in the country.

3. *Community Benefits Plan*

We believe that it can and should have a critical role in the delivery of medical marijuana healthcare in Stockton. As a nonprofit, we also believe that we have an important fiduciary obligation to be a “good neighbor” and provide benefits to our community as part of our healthcare mission. Therefore, we view our Community Benefits Plan as a blueprint for how we plan to accomplish our Mission.

In developing our Community Benefits Plan, the following core principles that will guide us:

- Our Board of Directors commits to make public a Community Benefits Mission Statement, putting forth our formal commitment to provide resources to and support the implementation of a regular Community Benefits Plan.
- We will support our Community Benefits Plan at the highest level of our organization. Our Board and senior management will be responsible for

overseeing the development and implementation of the Community Benefits Plan, including designating the programs or activities to be included in the plan, allocating the resources, and ensuring its regular evaluation.

- We will ensure regular involvement of the community, including that of the representatives of the targeted underserved populations, in the planning and implementation of the Community Benefits Plan.
- To develop our Mission Statement and Community Benefits Plan, we will conduct a Community Health Needs Assessment, a comprehensive review of unmet health needs of the community by analyzing community input, available public health data and an inventory of existing programs.
- We will include in our Community Benefits Plan the Target Populations we wish to support, specific programs or activities that attend to the needs identified in the Community Health Needs Assessment and, measurable short and long-term goals for each program or activity.

4. *Good Neighbor*

Pacific Street seeks to be an asset and a beneficial resource for the surrounding community. As a good neighbor, we will seek neighborhood and other necessary input through every phase of our operation, beginning with the build out and construction phase. We will meet with representatives from the Building Department, Fire Departments Office, Parking & Traffic Enforcement, Public Works Agency, and the Police Department to evaluate and abate any potential public safety/nuisance violations.

We also believe that being a good neighbor requires that we work to improve the neighborhood. Some of the public improvements we plan to address if necessary are:

- Access Improvements
- Drainage Improvements
- Landscape Improvements
- Sewer Improvements
- Sidewalk Improvements
- Traffic Engineering Improvements
- Lighting Improvements
- Code Compliance

Finally, we will take all efforts to mitigate noise, odor, and pollution/waste, and will address nuisances, including limiting foot and car traffic.

Upon approval for a permit we will continue to work on our Community Benefits Plan and develop it with the help of all entities listed above.

T. Employee Members and Training

Pacific Street will have 35 employee members to start.

Qualified members will work for three-months on probationary status. During this period, they will participate in a rigorous training process and be evaluated for suitability in a restricted-access medical environment and for their ability to adapt to the needs of our patient-centered approach to healthcare. Training will include the member work handbook, other reading materials, presentations by qualified professionals, and hands-on training. The program will consist of one or more of the following modules:

- *Compliance.* Compliance training will cover all municipal and laws and requirements relating to cannabis. Obligations of licensed cannabis collectives will be emphasized. Other topics may include the rules and regulations of the dispensary, sexual harassment training, effective interaction with law enforcement personnel, and the rights and responsibilities of medical cannabis patients. The training will include at least one two-hour session with a licensed, subject-matter expert attorney who is a practicing member of the state bar.
- *Medical.* Medical training will include disabled rights and sensitivity, how to identify and interact with a patient having a medical emergency, the proper uses and benefits of medical cannabis, and an introduction to the other medical treatments offered by our wellness program.
- *Dispensing.* As noted before, staff will be trained in patient care—not retail sales. The focus will be on assisting patients in making appropriate decisions about how to choose the type of medicine, which is right for them. Staff will be provided with ongoing training in product information as well as general service philosophy.
- *Safety.* In addition to its focus on safety, security training will include acceptable currency identification and counterfeit detection, warning signs of possible diversion to the illegal market, lock and alarm procedures, perimeter and entrance control, robbery response techniques, conflict resolution techniques, and diversion detection techniques.

EXHIBITS

Products

This Attachment lists the products and services we intend to offer our patient members.

1. Products

A. Cannabis

This is finished, dried, manicured, cured Product that will be sold in .5g increments. Over time, we plan to add cannabis in pre-rolled options for patients whose desired method of consumption is through smoking. Pacific Street plans to begin with 25-50 medicinal varieties of cannabis, including:

- Big Bud
- Blue Dream
- Blueberry
- Bubblegum
- Bull Rider
- Catatonic
- Chocolope
- Durban Poison
- Fro-g
- Grand Daddy Purple
- Grape Ape
- Hindu Skunk
- Jack Herer
- Jack the Ripper
- Jilly Bean
- LA Confidential
- Lemon Haze
- Mango
- Maui Wowie
- Mendo Purps
- MK Ultra Purple Pheno
- Northern Lights
- Odyssey
- OG Kush
- Purple Kush
- Romulan
- Sour Bubble
- Sour Grapes
- Super Silver Haze
- Vortex
- White Widow
- XJ 13

Edibles

Working with our patient members, We plan to create several different edible product lines to cater to the various medical, nutritional, financial and taste needs of patients. These product lines are listed below.

1. Boutique Bakery & Chocolate Line

This product is designed for patients new to medicinal marijuana who will be comforted by the familiarity of the classic bakery style confections. It's also our most appetite stimulating line as each boutique style bakery and chocolate item is made to both look and taste extraordinary to provoke appetite.

- Vanilla Mint Cupcake
- Peanut-Butter Cookie Cake
- German Chocolate Truffle Cake
- Box of 4 German Chocolate Truffles
- Candy Bar Bliss
- Toasted Pecan Caramels
- Chewy Gingersnaps
- Cinnamon Rolls
- Baklava
- Brioche au Chocolat

2. Economy Line

This product line is designed for low income and budget conscious patients. The potency is still very high and the items are still baked with the strictest standards of flavor and quality.

- Lollipops
- Rice Crispy Treats
- Peanut Butter Crunchies

3. Sugar Free Line

This line is designed for diabetic and health conscious patients. This line is comprised of sugar free fruit based edibles to offer a significant dose of vitamins (C in particular) while still delivering flavorful, potent medicine.

- Sugar Free Fruit Candies/Gummies
- Sugar Free Fruit Leather
- Sugar Free Freezer Pops

4. Organic Wake 'n Bake Line

This line is designed for optimal convenience of dosing for patients. This line will be ready mix packets to simply add water and enjoy. This will help patients dealing with chronic conditions medicate simply and efficiently without having to eat any additional food outside their normal daily diet. It is also targeted for morning consumption to help treat the patient all day.

- Instant Oatmeal
- Instant Coffee
- Tea
- Instant Hot Cocoa

5. *Organic Grocery Items*

This line is designed for patients to conveniently integrate their medicine into their regular eating and food preparation routines. This line will be budget conscious and allow patients to make their own edibles according to their personal wellness needs. These items will be featured in our Simple Healing Cooking for Cancer Patients classes as we teach patients to prepare healthy foods at home to promote healing.

- Sauces/Dressings/Condiments
- Baking Mixes
- Chocolate Stuffed S'more-Mellows
- Canna Flour
- Canna Oil
- Canna Butter
- Canna Peanut Butter

6. *Munchies*

This line is designed for discreet medicating and ultimate convenience of use. This is for patients who need a small dose over a long period of time and as the name of the product line suggests, it's for patients to snack on throughout their day.

- Pretzels
- Party Mixes
- Popcorn
- Chips

Concentrates and Extractions

Offering concentrates will ensure patients have a variety of consumption methods that suit their needs and lifestyle. These product lines are listed below.

1. Concentrates

This line is designed to provide high levels of Cannabinoids and THC in a readily accessible form which provides instant relief for serious conditions. This line will be produced completely organically without the use of solvents to create pure, clean, unadulterated extractions.

- Hash Oil
- Hash Crystals
- Full Melt Hash
- Kief
- Hash Wax

2. Medicinals

This line is designed to conveniently access the palliative as well as curative properties of cannabis. Each different delivery method of ingestion is targeted to treat specific diseases; for example capsules and tonics have the potency to provide curative treatment, while the Oral Spray and Chewing Gum are designed for immediate palliative treatment of pain or spasticity.

- Tonics
- Capsules
- Canna Mist Oral Spray
- Chewing Gum
- Glycerin Tincture

3. Topicals

This line is designed to provide topical applications of cannabis for arthritic patients, or patients with injuries. The topicals have an analgesic and anti-inflammatory effect to reduce or eliminate pain.

- Soaps
- Lotions
- Salves
- Lip Balm