

# Application for Conditional Use Permit

Green Qi Sonoma Highway

4880 Sonoma Highway, Santa Rosa, California 95409

September 10, 2020



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## **Project Description Narrative**

### **a. Project Description/Summary of Proposed Land Use**

Green Qi LLC proposes to develop a vacant retail space at 4880 Sonoma Highway, into a modern customer focused cannabis dispensary that will be a commercial and community anchor to the east side of Santa Rosa and Rincon Valley Corridor.

Green Qi proposes to operate a California License Type 10 Medicinal and Adult Use Cannabis Retail Dispensary and Delivery at 4880 Sonoma Highway, in the City of Santa Rosa. The proposed site is zoned Commercial Neighborhood (CN) and Single-Family Residential (R-1-6). The entire facility is approximately 1,410 square feet and will be used exclusively for retail with large well-lit display cabinets. At full capacity, the store will employ approximately 10 staff and serve an estimated 100-200 customers per day. Hours of operation will be 9:00 am to 9:00 pm, 7 days per week. The dispensary will provide a variety of high quality fully tested cannabis products in a modern retail setting.

Customers will enter the store into a Lobby area that has an ID verification area and waiting area, before entering the retail sales floor. The back of the store will have an office, employee break area, inventory control room, and employee bathroom.

The proposed project will include activities permitted by a California State License Type 10 Retail Storefront. The new business planned for 4880 Sonoma Highway, in Santa Rosa will offer a unique combination of retail, delivery, and on-site consumption. Customers will be able to shop in store and then have the products delivered on a weekly or monthly basis. In addition, customers will be able to sample products on-site in limited dosages. Green Qi LLC will work diligently to provide unmatched service to each person that walks through their doors and ensure that a sense of community is built within their customer base and neighborhood.

A small fraction of the south part of the parcel is zoned R-1-6, which is not consistent with the general plan land use. This portion of the property will not be used in any aspect of the proposed business operations.

### **b. Compliance with State and Local Laws**

#### **1. State Regulations**

See Addendum A.

#### **2. Local and Regional Permit Requirements**

Upon approval of our Conditional Use Permit, we are prepared to comply with all applicable City of Santa Rosa requirements. Outlined in the following sections we have prepared detailed responses to all requirements

that are applicable to a cannabis retail business. When crafting our narrative sections we referenced Santa Rosa Ordinance 20-46.50. General Operating Requirements as our guideline and we will comply with all local rules and regulations.

Green Qi plans to operate as a dual licensed cannabis dispensary. We plan to operate as a California License Type 10 Medicinal and Adult Use Cannabis Retail Dispensary and Delivery, which is allowed per local and state regulations. After being awarded our local use permit we will diligently pursue and obtain a state cannabis dispensary license Type 10 Retail Storefront. Our dispensary will comply with all local Inventory Tracking, Fire & Building Codes, Security, Odor Control, Lighting, Noise, Edible Products and Department of Health Services regulations outlined in the General Operating Requirements of the ordinance.

a. Other Santa Rosa Requirements

Green Qi does not intend to commence operations until our Santa Rosa Permit, Department of Health Services inspection, State License, and any other applicable permits, have been granted.

Our California License Type 10 Medicinal and Adult Use Cannabis Retail Dispensary and Delivery shall only allow persons on the premises who have a cannabis recommendation and valid government issued identification, with date of birth over 18 years of age. Our dispensary shall only allow persons 21 years or older with a valid government issued identification card.

Our dispensary will keep an active register of all of our active employees including their name, date of birth and employee badge identification number. This will be available upon request to any City Officer or Official for the purpose of determining compliance.

b. Other Requirements Covered in Ordinance – Sonoma County Health Services (SCHS) Requirement

Green Qi will obtain a Sonoma County Health Services permit in order sell edible medical cannabis products (Section 20-46.080(E)). Green Qi will comply with Health and Safety Code Section 13700 et seq., and Sonoma County Health Services permit requirements. These requirements provide a system of prevention and overlapping safeguards designed to minimize food borne illness, ensure employee health, demonstrate industry manager knowledge, ensure safe food preparation practices and delineate acceptable levels of sanitation for preparation of edible products.

Green Qi will meet all of Sonoma County Health Service's requirements including; having a menu of edible products, public

restroom, procedures to quarantine cannabis waste, and video surveillance of any stored products. The main priority for SCHS is the safety of the products manufactured or sold at for retail medical cannabis use, the same best practices used for retail food establishments, are applied to our retail facility. Health & hygiene, food temperatures, cooking temperatures, sanitization, approved food sources, and violations are standards that SCHS implemented for Cannabis Infused Products Best Practices.

Green Qi will have the required hand washing stations that are necessary at any retail location in the City of Santa Rosa. Green Qi service staff will hold food handler certifications, which is currently a requirement for restaurant employees to ensure that no contaminants reach any retail products. Green Qi intends to schedule an appointment with the inspector from SCHS prior to opening our retail facility. The inspection includes a sixty-two-item checklist including; hours of operation, storage of cannabis products 6 inches above the floor, procedures for sanitization & janitorial services, no sales of alcohol or tobacco, employee belongings are appropriately stored, the business is not holding conflicting licenses (no food is manufactured onsite), and necessary signage is posted.

All of the products carried at Green Qi will meet labeling requirements issued by Sonoma County Health Services, which include clearly identifying: product as cannabis infused, red THC Symbol, net volume or weight, serving size and package content, manufacturer information, ingredient list, nutritional information, lot number, instructions for use, expiration dates, and unique identifier. In addition, the exit packaging will be opaque, child resistant, tamper evident, protect against contaminants, and products with more than one dose are re-sealable. State Warning Labels and Proposition 65 Warnings will also be on the products and posted as required by California law.

### **3. Santa Rosa General Plan Policies**

This project furthers Santa Rosa's General Plan policies for long-term economic development reflecting the aspirations of the community. First of all, the project is in line with the "guiding principles" of the General Plan. It will add to the quality of life by providing a consumer good that has long been demanded by Santa Rosa residents but has previously been relegated to the illegal cannabis market. Our dispensary will require no new infrastructure to be developed by Santa Rosa. Our project will provide economic development, through property enhancements, providing good paying jobs with benefits and helping restore the City's economic base following the 2017 wild fires.

Secondly, the “Retail and Business Services” land use designation assigned to the Parcel and surrounding area under the General Plan is significant. The Retail and Business Services land use category is intended for retail uses generally. Given the inherent retail and commercial nature of cannabis sales, as contemplated in this Application, our dispensary further agrees and complies with Santa Rosa’s general plan policies.

Finally, this project is consistent with various General Plan goals and policies concerning environmental impact. The building of our dispensary will be a model of sustainability, utilizing high-efficiency lighting, low-flow toilets and waterworks and will produce virtually no significant negative environmental impacts.

#### **4. Location and Operational Requirements**

This project falls well within the City's location requirements, which allow retail cannabis uses in the Commercial Neighborhood (CN) zoning district. Additionally, the project site is more than the required setback of 600 feet from the closest school, which is Douglas L. Whited Elementary School.

We are prepared to comply with all applicable City of Santa Rosa location and operational requirements. Outlined in the following sections we have prepared detailed responses to all requirements that are applicable to a cannabis retail business. When crafting our narrative for locational and operational requirements we referenced Santa Rosa ORD 20-46.080. Cannabis Retail (Dispensary) and Delivery as our guideline and we will comply with all local rules and regulations.

We plan to operate our dispensary as a storefront business offering cannabis delivery services and on-site consumption. Green Qi seeks authorization for our employees who are qualified medical cannabis patients use their medicine during break or lunch hour, if they have a medical need. We recognize our staff may be cannabis patients themselves with a wide variety of mental or physical symptoms, and may have a need to consume cannabis. We do not want staff driving offsite to use their medicine. Employee break areas will be out of sight of patient members, and we will encourage our staff to use vaporizers as it is safer for their long term health, and will minimize the smoke exposure in the building.

Our dispensary location falls well within Santa Rosa’s location requirements, which allow retail cannabis uses in the Commercial Neighborhood zoning district. The project site is 822 feet from the nearest school, Douglas L. Whited Elementary School. Our storefront entrance will be in a visible location that provides an unobstructed view from the public right of way, off one of the main roads in Santa Rosa.

Along with following proper setback requirements, our dispensary will comply with all operational requirements explained in the local ordinance, ORD 20-46.080 including, Edible Products, Recordkeeping, Hours of Operation, Secured Access, Site Management, Advertising and Signs and Storage of Products.

**c. Separation of License Types**

Only one license type is proposed at 4880 Sonoma Highway.

**d. Building and Fire Codes**

Green Qi LLC's building site meets standards established by the City of Santa Rosa and the State of California. We will ensure the site meets standards established by the City of Santa Rosa and the State of California. We will ensure ingress and egress as well as ADA compliance is followed at the site. We will ensure there is proper ventilation throughout the building. We will work closely with the building division to complete all the required documents for the building permits and receive all of the required approvals before commencing operations. Green Qi will obtain all necessary building permits, fire permits, and CUPA permits, and provide a Fire Department lock box for keys to gates and doors. [Section 20 46.050(E)]

**e. Security Plan**

Our retail facility will hire or contract a third party security company to provide security services as required with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code.

Every Customer will have their ID checked and validated in an enclosed (secured) check in area before being allowed access to the sales area. Only allowable state issued identification will be accepted, such as a Passport or State issued Driver's license. No customers, vendors, or visitors under the age of 21 (without a valid medical marijuana card) will be allowed to enter. Any person over the age of 18 will be allowed access with an ID and valid medical marijuana card. Any person under the age of 18 will not be granted access. These valid forms of identification must be presented every visit to gain access. Even if the individual is a frequent customer, if the license is presented and has expired, it will not be accepted, and the individual will have to wait for a new license to re-enter the premises and purchase Cannabis. All employees will be trained on the acceptable forms of ID, how to check their validity, and how to ensure the ID is that of the person presenting it. Minors will never be allowed anywhere inside the facility, even during non-business hours when Cannabis product have been put away. Green Qi LLC's security plan is intended to prevent theft or diversion of any cannabis or currency, as well as to discourage loitering, crime, and illegal or nuisance activities. The site security plan is comprised of several layers of systems and protocols, which are discussed in detail below. All the security systems will be capable of remaining fully operational during a power outage. No

weapons or firearms will be permitted on the property. All security measures are designed to ensure emergency access is available in compliance with California Fire Code and Santa Rosa Fire Department standards.

Security surveillance video cameras shall be installed and maintained in good working order to provide coverage on a twenty-four-hour basis of all internal and exterior areas where Cannabis is stored and dispensed. The security surveillance cameras shall be oriented in a manner that provides clear and certain identification of all individuals within those areas. Cameras shall remain active at all times and shall operate under any lighting condition. Security video will use standard industry format to support criminal investigations and shall be maintained for sixty (60) days. All recordings will be easily accessed for viewing, and Green Qi LLC will cooperate with all law enforcement investigations, providing video footage upon request. Green Qi LLC will be able to view the surveillance remotely at any time. [Section 20 46.050(G.1.)]

Green Qi LLC shall install a professionally monitored alarm system, which provides Green Qi LLC with instant notification of any triggering event. The alarm system will be equipped with a failure notification feature that provides prompt notification to Applicant of any prolonged surveillance interruption or system failure. Additionally, Green Qi LLC is able to access the alarm system remotely. [Section 20 46.050(G.2.)]

The proposed floor plan includes commercial security doors at all entrances, exits, and access points to restricted areas. The entrances will have commercial grade 1 security locks to control access during business hours. In addition, commercial grade window locks will be installed at all windows. We will be defining the reception lobby and securing it with walls to allow customers to be checked and age verified in at the counter and wait comfortably for access to retail floor. [Section 20 46.050(G.5.)]

Green Qi LLC will at all times operate in a manner to prevent diversion of Cannabis and shall promptly comply with any track and trace program established by the state (Santa Rosa, Cal., ORD-2017-25, Chapter 20 § 46.050(C)) to ensure that no diversion or loss occurs. In the event of any inventory discrepancies, Green Qi LLC will immediately notify regulators and law enforcement within the required time periods. In addition, Green Qi LLC will perform a reconciliation of its inventory at least once every 14 days and shall be made available to the California Cannabis Bureau upon request. [Section 20 46.050(G.3.)]

In addition, Green Qi LLC proposes to maintain an accurate record of sale for every sale made to a customer and include the information required (CAL. CODE REGS. tit. 16 § 5426). Green Qi LLC will only display cannabis goods for inspection and sale in the retail area, and not be visible from outside the licensed premises. Green Qi LLC will not make any cannabis goods available for sale or delivery to a customer unless: The cannabis goods were received from a licensed

distributor, the retailer has verified that the cannabis goods have not exceeded their expiration or sell-by date if one is provided; and in the case of manufactured cannabis products, the product complies with all requirements of Business and Professions Code section 26130 and all other relevant laws.

Green Qi LLC will operate according to CAL. CODE REGS. tit. 16 § 5408, and only sell, only live, immature cannabis that is not flowering, was purchased from a nursery that holds a valid Type-4 license under the Act, and a label is affixed to the plant or package containing any seeds which states "This product has not been tested pursuant to Medicinal and Adult-Use Cannabis Regulation and Safety Act." Green Qi LLC will also strictly follow the daily limits pursuant to (CAL. CODE REGS. tit. 16 § 5409).

**f. Odor Control Measures**

Green Qi LLC shall incorporate and maintain adequate odor control measures such that the odors of Cannabis cannot be detected from outside of the structure in which the Business operates. Operational processes and maintenance plan, including activities undertaken to ensure the odor mitigation system will be kept up to date and functional. This will include staff training procedures and engineering controls, which may include carbon filtration or other methods of air cleansing, and evidence that such controls are sufficient to effectively mitigate odors from all odor sources. All odor mitigation systems and plans submitted pursuant to this subsection shall be consistent with accepted and best available industry-specific technologies designed to effectively mitigate cannabis odors. (Santa Rosa, Cal., ORD-2017-25, Chapter 20 § 46.80 H)

All cannabis inventory our dispensary receives from licensed distributors will be ready for final sale, meaning it will be pre-packaged in sealed, tamper-evident, and child-resistant packaging that complies with California Business & Professions Code §26120. As such, inventory shipments that are unloaded in the rear of our building will not expose any cannabis or produce any odors. We will discontinue relationships with distributors that do not uphold our strict approach to compliant pre-packaging and responsible delivery practices.

No packaging of cannabis will occur on the dispensary premises. Once inside the dispensary, all cannabis will be organized and stored in climate-controlled rooms subject to the specially designed HVAC systems. Within our secured inventory control room, minor amounts of raw cannabis may be removed from its packaging for display in our sales floor display cases. Before any cannabis leaves our retail premises, it will be placed in exit packaging required by State law. These exit packages are opaque, child-safe, and fully sealable.

**g. Lighting**

Interior and exterior lighting shall utilize best management practices and technologies for reducing glare, light pollution, and light trespass onto adjacent properties and the following standards:

1. Exterior lighting systems shall be provided for security purposes in a manner sufficient to provide illumination and clear visibility to all outdoor areas of the premises, including all points of ingress and egress. Exterior lighting shall be stationary, fully shielded, directed away from adjacent properties and public rights of way, and of an intensity compatible with the neighborhood. All exterior lighting shall be Building Code compliant and comply with Section 20-30.080 (Outdoor Lighting.) [Section 20 46.050(I.1.)]
2. Interior light systems shall be fully shielded, including adequate coverings on windows, to confine light and glare to the interior of the structure. Section 20 46.050(I.2.)]

#### **h. Noise**

As part of our commitment to community relations, we will minimize the noise impact of our facility, our retail operations and of our dispensary customers.

1. Facility & HVAC Systems  
Our facility will not produce sound outside of ordinary levels in any public areas. Our HVAC engineers have selected light commercial equipment that produces noise levels customary in light commercial/retail environments and fully complies with Chapter 17-16 of Santa Rosa City Code. If feasible, we will utilize flexible ductwork and high-velocity registers and grilles, which tend to produce less noise. The entire system will be regularly maintained. Filters will be replaced regularly to avoid dirty ducts, a possible source of extra HVAC noise. Should the level of system noise increase, we will promptly contract a maintenance technician to evaluate the problem and implement a noise-reducing solution.
2. Operations  
The dispensary will be open to the public from 9:00 am to 9:00 pm. Opening and closing will occur promptly at the designated times. No loud music or other noise producing activities will be permitted inside the dispensary and we will not permit employees to linger outside of the premise when not working.  
  
All inventory shipments will occur during customary commercial delivery hours, and in no case will we schedule or accept a shipment prior to 6:00 a.m. or later than 10:00 p.m. All shipments will occur in the rear of the building and will be received through the dispensary's rear entrance.
3. Enforcing Company Policies  
In accordance with our nuisance prevention policies, Green Qi management and customer-facing staff will advise our customers to avoid

loud or disruptive activities that may disrupt our neighbors. Since loitering on our premises is not allowed, customers will also be instructed not to sit in the parking lot with engines idling or music playing, or engage in large gatherings or group conversations on the premises. These noise abatement policies will be communicated to customers, vendors, and visitors by our employees.

### **Parking Analysis**

Our building has all the necessary attributes to serve clients in the greater Santa Rosa area. Because of the size of our property, we will have dedicated parking for clients and caregivers, as well as dedicated handicap space for clients driving to the facility. Our property will have more than 6 dedicated parking spaces near the main entrance and 4 employee only parking spaces toward the rear of the property. We have dedicated handicapped space(s) located near the entrance. The property is located on Highway 12, allowing for easy access to those driving. According to Santa Rosa Ordinance Table 3-4 Automobile and Bicycle Parking Requirements by Land Use Type, for every 250 square feet of retail trade space we must have 1 parking space. Our public retail trade space does not exceed 1,410 square feet meaning we need at least 6 parking spaces to meet Santa Rosa Ordinance No. ORD-2017-025 Cannabis – retail dispensary. We believe our location meets this requirement as we will have 6 spaces dedicated to our retail space. If our space does not meet the parking standards we believe the non-conforming parking situation can be resolved through Santa Rosa Ordinance 20-36.40.C.2.

Per Section 20-36.40.C.2, when a building's use changes to a new use without enlarging the space in which the use is located, there shall be no additional parking required for the new use, except that the new use shall comply with current ADA standards for parking, provided that any deficiency in parking is no more than 10 spaces, or a 25 percent overall reduction from standard parking requirements, whichever is greater. The dispensary use would provide a new ADA accessible parking space and five new employee parking spaces at the rear of the property, which is an increase in the amount of parking historically provided on the property for the pre-existing retail uses.

Parking areas will be regularly monitored by staff for safety and security. Employee shifts will be staggered to accommodate onsite parking, and employees will be encouraged to utilize biking and public transportation options.

### **Hours of Operation**

We plan to operate our retail storefront during the hours of 9:00am to 9:00pm, seven days a week, unless the review authority imposes more restrictive hours due to particular circumstances in our application. (Santa Rosa, Cal., ORD-2017-25, Chapter 20 § 46.050(F-4)) § 5403. All deliveries of products kept in inventory shall also be generally done during the hours of 9:00am to 9:00pm, seven days a week. (Santa Rosa, Cal., ORD-2017-25, Chapter 20 § 46.080(F-4)) We feel these hours are sufficient to operate a medical and adult-use cannabis dispensary as we will be open during the morning and a few hours after the “rush hour” crowd. The site will be closed to the public at all other times. Local management will be on-call 24 hours/day, 7 days/week to address any

operational or emergency issues. Given our proper traffic flow and noise mitigation plan we feel these hours best serve the local community.

Employees will arrive an hour early at 8 am to get the sales floor ready for the day by bringing product for sale and displays from the safes and put them out on display counters on the sales floor and behind the check-out counter. In the evening, all sales will cease at 8:59 pm and the doors will be locked and secured to ensure no sales occur past the allowable time. Employees will then spend the hour from 9 pm to 10 pm performing closing procedures such as inventory audits, putting all product back in the safes, reconciling cash drawers, and sending required sales reports to the Metric seed-to-sale tracking system.

Inventory audits may be scheduled in the hours prior to opening or the hours after closing. Administration operations such as finance department and HR department will be separate from the operating hours of the dispensary.

Retail operations will utilize appointment-based scheduling to establish time frames for deliveries of products kept in inventory from distributors for product intake. Deliveries of products kept in inventory may occur as early as 7 am, but no later than 10pm, Monday through Sunday. All inventory shipments will occur during customary commercial delivery hours, and in no case will we schedule or accept a shipment prior to 7:00 a.m. or later than 10:00 p.m. All shipments of inventory will occur in the rear of the building and will be received through the dispensary's rear entrance.

### **Commercial Cannabis Retail Dispensary**

#### **a. Location Requirement**

1. Overconcentration  
The proposed retail dispensary is on a parcel of land where within 600-feet there are no other established cannabis retail dispensaries that are/were permitted by the City of Santa Rosa as of 3/28/2019. Please refer to City of Santa Rosa Cannabis Retail Applications Map as of March 2019.
2. Distance to schools  
Green Qi LLC complies with all applicable provisions of the Zoning Code and the City Code. There is no "K-12 school" as defined by the Health and Safety Code Section 11362.768 within 600-feet of the proposed dispensary.
3. Storefront Entrance  
Storefront entrance will be in a visible location with an unobstructed view from the public right of way [Section 20-46.080 (D)].

#### **b. Medicinal/Adult Use**

Proposed use is Medicinal (dispensary) and Adult Use (retail).

**c. Operational Plan**

1. Maintain an employee register

No person under the age of twenty-one (21) will be employed at Green Qi. The dispensary will maintain a current register of the names of all employees employed by the dispensary, and shall disclose such register for inspection by any City officer and official for purposes of determining compliance with the code requirements. Green Qi will ensure that each person engaged in the operations has the education, training and experience or any combination thereof, to enable that person to perform all assigned functions. In order to hire a good workforce, Green Qi will conduct background checks on every associate/employee. These background searches will be conducted by the California Department of Justice and local law enforcement. This is a condition of employment, and mandatory that all employees must submit fingerprints to an approved Live Scan vendor and pass an electronic background check completed by the DOJ and FBI before they can be hired, which will surface any prior felony or misdemeanor convictions.

California employers must report all of their new or rehired employees who work in California to the New Employee Registry within 20 days of their start-of-work date, which is the first day of work. Any employee that is rehired after a separation of at least 60 consecutive days must also be reported within 20 days. Employers who report electronically must submit two files each month that are not less than 12 days and not more than 16 days apart. No report should be submitted if there are no new or rehired employees to report.

Required by law to report the following:

Employer's:

- California employer payroll tax account number
- Branch Code (complete only if employer was assigned a Branch Code number)
- Federal employer identification number
- Business name and address
- Contact person and phone number

Employee's:

- First name, middle initial, and last name.
- Social Security number
- Home address
- Start-of-work date

2. Keep proper records in compliance with state law

Green Qi LLC has a recordkeeping plan in place to maintain, update, and store records related to its operations for a minimum of seven years, as required by state law. The recordkeeping plan will allow Green Qi LLC to comply with the City of Santa Rosa audits and inspections. Green Qi LLC will monitor and track inventory. Inventory will be monitored with a real-time, web-based inventory control system, which will track information for each piece of inventory from seed to sale or disposal. The manager will implement and strictly oversee the real-time, web-based inventory control system, which will be accessible by the City of Santa Rosa 24 hours a day, seven days per week. This system will keep meticulous track of all cannabis onsite until the product is either purchased or Green Qi LLC transfers it to a licensed company for destruction and disposal. All cannabis will be entered into the inventory system immediately with all identifying information. This includes the registration number of the agent making the entry, date/time, quantity or weight, strain, and batch number.

Green Qi shall maintain patient and sales records in accordance with State law. Green Qi will have strict quality control standards, from the intake of product where there is secured sign-in from the licensed vendor, where the controls are adhered to, and lastly to the product purchase orders for the complete sign off. All products will already have been verified by the Distributor that meets the State labeling and packaging requirements. Daily and monthly monitoring checks and balances include: physical inventory counts; defective product returns; cleaning, restocking and organizing the product vault and addressing any issues that may arise.

The dispensary will maintain records using only the State of California Medical Marijuana Identification Card numbers issued by the County or the County's designee, pursuant to California Health and Safety Code Section 11362.7 et seq., or a copy of a written doctor's prescription or recommendation, as a protection for the confidentiality of the cardholders. Green Qi will track when members' medical cannabis recommendations and/or identification cards expire and enforce conditions of membership by excluding those whose identification cards or recommendations are invalid or expired.

Dispensary retail operations will record the identity and source of all cannabis products received and sold with sufficient specificity to ensure that it can be traced to its source. All records will be recorded in METRC, the State's track-and-trace program. This retail operation will maintain records that include at a minimum: form of cannabis received (e.g. clone, processed dried flower, concentrate, tincture, topical, edible, etc.); dates of the receiving of the product as well as the sale that took place; testing and analysis conducted: name of lab conducting the testing, the type of test; analysis or examination used to determine the particular strain or cultivar of each batch of cannabis provided, any test to determine the quantitative

levels of contained constituents; and the type of testing used, any tests to determine the absence or presence of specific classes of potential contaminants, yeasts and molds, and other microbiological contaminants if found Cannabis waste that account for, reconcile and evidence all activity related to the generation or disposition of cannabis waste (returns, displays).

Green Qi will record in the State's required track-and-trace system upon an individual receipt and retain each transaction whether or not funds were exchanged during, or are involved in the transaction. Additionally, Green Qi will comply with any track-and-trace program established by the City, County or State agencies. The dispensary will maintain records tracking all cannabis sales and products and will make all records related to commercial cannabis activity available to the City or County upon request. All sales are tracked, both Medicinal and Adult-Use. This allows the dispensary to show compliance with state regulations regarding tracking of sales.

By design, the method that the State has established by M.A.U.R.C.S.A. ensures that the quality of products is supreme. All edible products are non-perishable with a best-by date if applicable. We only accept returns on defective products. Returns are authorized by management only and upon inspection are placed in a locked container where they are securely stored and will be picked up by a state licensed disposal company. All returns are documented and recorded per State regulations.

The proposed location for the Green Qi is in compliance with State and local requirements regarding the 600-foot buffer from grades K-12 school, licensed day cares or preschools. There are no dispensaries located within a 600-foot distance of the subject property.

3. Publish and implement a protocol and requirements for patients and persons entering the site

All persons entering the site, including those representing a regulatory agency, shall present photo identification and shall establish proof of doctor's recommendation if customer is a medicinal patient. A doctor's recommendation is not required for customers of nonmedical cannabis. No person shall be allowed onto the premises unless they are an employee, customer, vendor or contractor of the retail facility, a primary caregiver, and/or a qualified patient or an employee of an agency having jurisdiction monitoring or investigating the terms of regulatory compliance. In addition, and in strict accordance with California Health and Safety Code Section 11362.5 et seq., no person under the age of eighteen (18) shall be allowed on a medical cannabis retail site unless allowed under state law,

and no person under the age of twenty-one (21) shall be allowed on a nonmedical cannabis retail site pursuant to California Business and Professions Code section 26140.

Prior to entry into the dispensary retail sales area, a customer enters the reception area, where they are greeted by security personnel. The entrance is clearly posted that no person under the age of 21 shall be allowed in the dispensary, unless they are a Medical Patient with valid recommendation and over the age of 18. The dispensary provides a lobby, “waiting area” at the entrance to receive members. This is the only entrance and is monitored by electronic surveillance cameras. The waiting area is controlled by a qualified security person during all hours of operation.

Depending on the type of customer any and all individuals will have to present: If Adult-Use: Valid government issued photo ID whose date of birth is at least 21 years prior to the date of entry. If Medicinal: Valid California photo ID whose date of birth is at least 18 years prior to the date of entry and a valid doctor’s recommendation which must be a formal letter, written on a doctor’s letterhead, listing the doctor’s medical license information as well as the date the recommendation expires. A recommendation containing these elements written by a doctor in the State of California will allow a patient to gain access to the dispensary after their documents have been verified.

The Front Desk Intake Receptionist contacts every Medicinal Customer’s doctor to verify their recommendation is valid by way of online verifications or by contacting the doctor’s office by telephone. Depending upon the doctor, verifications can happen instantly or may take up to a week. The dispensary, prior to dispensing medical cannabis, obtains verification from the recommended Physician that he or she is a qualified patient. Records are maintained on site digitally and physically secured and are allowed to be verified by the City as needed and at least every 21 months by the qualifying patient’s physical or Doctor of Osteopathy. The dispensary does not have a Physician on site.

Green Qi will provide it’s members with a list of rules and regulations and a contract which must be signed agreeing to the governing cannabis use and consumption within the City and recommendations on sensible cannabis etiquette. All customers agree (via their signed contract) not to redistribute cannabis obtained from the dispensary or use in manner that violates local City and State laws. Additionally, all members agree to not openly medicate in public places.

Upon successful verification, the patient is allowed to enter the retail store where they are able to view and make product selections. This is a separate and secure designated area for dispensing cannabis. This is where

they are able to view and make selections based upon their needs. Upon greeting the customer, the budtender will complete the transaction and place the product in an approved child resistant opaque exit bag. Green Qi will record and retain each transaction upon an individual receipt whether or not funds were exchanged during, or were involved in the transaction. Receipts will show the ID number of the person obtaining the cannabis, the date, time and amount of cannabis dispensed. Receipts will also show the amount paid for the cannabis, if any as well as the amount of taxes applicable to the sales.

a. Patient Verification System

Green Qi LLC will use a Web-Based Patient Registration system to verify that a patient is properly registered. This verification will be checked twice: once before a patient is allowed into the dispensing room, and again when the patient is purchasing cannabis and cannabis products. The first check will ensure that only currently registered patients and caregivers are allowed into the dispensing room. The verification that occurs during the purchasing period will track the patient's purchases.

b. Purchases and Denials of Sale

Purchases will be recorded in Green Qi LLC's inventory tracking system. The system will document the date a Dispensing Associate makes a sale of cannabis or cannabis products, how much product was sold, the strain, the identity of the patient, and which Associate sold the product. Associates will also document in the event a patient is denied the sale of cannabis. Documentation will include the date of the denial, the identity of the patient, the Associate who denied the sale, and the reason for the denial. Green Qi LLC anticipates that denials will typically occur when the product requested is not available. The GM will review denials of sale to confirm that the dispensary has an adequate supply to meet patient requests.

c. Confidentiality

Green Qi LLC's associates will be trained to meet California state regulations and HIPAA requirements regarding patient confidentiality. Green Qi LLC inventory information and all other records are subject to strict confidentiality requirements. Upon employment, associates are required to complete training and to sign a non-disclosure agreement. Associates who violate confidentiality or allow unqualified persons to view records will be terminated immediately.

d. Adult Use Access Protocol

Individuals shall be granted access to the retail area only to purchase cannabis goods after the retailer or an employee of the retailer has verified that the individual is at least 21 years of age and has a valid proof of identification. Acceptable forms of identification include the following:

- A document issued by a federal, state, county, or municipal government, or a political subdivision or agency thereof, including, but not limited to, a valid motor vehicle operator's license, that contains the name, date of birth, physical description, and picture of the person;
- A valid identification card issued to a member of the Armed Forces that includes a date of birth and a picture of the person; or
- A valid passport issued by the United States or by a foreign government that clearly indicates the age or birthdate of the individual.

4. Identify secured access and secured product locations

All areas used for commercial cannabis activities have locking doors, with commercial-grade non-residential locks, to prevent free access. Only staff and persons with bona fide business are permitted in the restricted access areas. Only qualified customers, patients and caregivers are permitted in the designated dispensary unrestricted access area. All other unauthorized visitors remain in the designated waiting area until qualified or turned away.

Green Qi will install a state of the art surveillance system that electronically monitors and records all interior and exterior areas twenty-four hours a day, seven days per week. These recordings are maintained for a minimum of sixty (60) days and can be made available to State and local representatives upon request. These security cameras will record at minimum camera resolution 1280 x 720 and are 5 megapixel. All cannabis products will be stored in a locked display case, cabinet, safe, vault or room within the facility and will be under surveillance.

The premise will be monitored after normal business hours using a state of the art system that detects unauthorized entry onto the exterior property or the interior of the facility and activates an alarm. In the event of a door, window or roof activation, alarm monitoring personnel will observe real-time video feeds of the facility to determine if an actual threat exists.

Green Qi LLC will provide and install a variety of security devices to ensure that only authorized personnel have access to any location where cannabis is stored, so that employees are safe and secure inside Green Qi LLC.

- a. All access points from outside of the facility will have both locks and alarms. All perimeter windows and hatches will remain closed and locked with tamper-proof security devices. They will be equipped with perimeter alarms that will sound if there is any breach of these apparatuses. All external doors will require two (2) levels of security verification to open—something known and something held. This security process means that employees will need a key along with a unique access code to unlock the front as well as back external doors. In the event of any theft or loss of cannabis, these devices will also provide a security log of who accessed the doors for any ensuing investigations.
- b. All doors will also be equipped with an alarm that will sound if they are opened without code and key or if they are damaged. Arming and disarming the security system will require an access code. Both the entry alarm and surveillance alarm will notify the monitoring service if a failure is detected in the system, which will be corrected as soon as possible. If the failure prevents security systems from operating, the facility will take additional security measures until it is fixed.
- c. Alarm systems can also be triggered if an employee presses a panic or duress button. These buttons will be installed in strategic locations only accessible to employees. The panic button should be pressed if there is a theft or breach and the employee or other people would be placed in danger by a loud alarm. The duress button will still notify authorities like a typical alarm, but not make a sound on-site. These security devices will allow employees who are threatened to signal an alarm without escalating the situation.
- d. Access to Retail Area will be limited pursuant to Cal. Code Regs. tit. 16 § 5400 & Santa Rosa, Cal., ORD-2017-25, Chapter 20 § 46.050(B). Access to the retail area will be limited to individuals who are at least 21 years of age and have a bona fide business reason for entering the premises or to individuals who are at least 18 years of age and have a valid physician's recommendation. Authorized individuals include individuals employed by the retailer as well as any outside vendors, contractors, or other individuals conducting business that requires access to the limited access area. Green Qi LLC's employees shall be physically present in the retail area at all times when individuals who are not employees of the retailer are in the retail area. An individual in the retailer limited-access area who is not employed by the retailer will be escorted by Green Qi LLC's employees at all times within the retailer limited-access area. Green Qi LLC will keep a log of all authorized individuals who are not employees that enter the limited

access are and will not receive consideration or compensation for permitting an individual to enter the retailer limited-access area.

e. Storage of Cannabis Products/Inventory:

- Environmental Health Services (EHS) requires edible cannabis goods be stored in a building designed to permit control of temperature and humidity and shall prevent the entry of environmental contaminants such as smoke and dust. The area in which edible cannabis goods are stored also may not be exposed to direct sunlight. The storage area and product display areas of the facility will meet this requirement through mechanical improvements proposed by our mechanical engineer, Andy Souza. Also, no edible cannabis goods will be displayed in an area that receives direct sunlight. The storage area has no exposure to sunlight.
- EHS requires that edible cannabis products shall be protected from contamination by storing the products in a clean, dry location, where they are not exposed to splash, dust, vermin or other forms of contamination or adulteration, and at least six inches above the floor. This area must include cleanable shelves. The project storage area will meet these requirements using shelving which gives proper clearance from the floor. Additionally, the daily operating procedures will include janitorial maintenance of the storage area to insure cleanliness.
- EHS requires that storage areas must be under continuous video-monitoring and recording and secured in accordance with their Security Plan. All cannabis storage areas will be under 24-hour security camera surveillance with 60-day retention of video footage in compliance with state law.

f. Storage and Waste

All cannabis products and any cannabis waste will be stored in an area secured with commercial-grade non-residential locks, that is not visible to the public, and that prevents diversion, theft, loss, hazards and nuisance according to Santa Rosa, Cal., ORD-2017-25, Chapter 20 § 46.050 (G.3). All storage and handling of hazardous materials will occur in code compliant control areas. All vendors will be pre-scheduled in advance and must present valid identification. Vendors will only be granted access to the areas required for removal of waste. All waste removal vendors will be required to document and track all waste materials removed from the site.

5. Display a copy of issued State License

Upon City of Santa Rosa approval for the use, Green Qi will pursue submittal of an application to the State in order to obtain a State

Cannabis License Type 10 for a retail Medicinal and an Adult-Use Dispensary with Delivery Service. This license will be adhered to regarding State licensing requirements and conditions. The dispensary at all times during business hours will display the State License issued to Green Qi in a conspicuous place so that it may be readily seen by all persons entering the dispensary, per State regulations.

**d. Deliveries to Patients Offsite, On Site Consumption, Special Events**

**1. Deliveries to Patients Offsite**

Green Qi LLC plans to deliver Cannabis and Cannabis Products to patients located outside the Cannabis Retail facility in Sonoma County pursuant to Cal. Code Regs. tit. 16 § 5415 and City of Santa Rosa Ord. No. ORD -2017-025 Chapter 20 § 46.080 (B)). All deliveries of cannabis goods will be performed by a delivery employee (over the age of 21) of the retailer in a new model hybrid vehicle to minimize noise and pollution from delivery operations. All deliveries of cannabis goods shall be made between the operating hours of 9am-9pm and will not be made using an unmanned vehicle. Employees delivering cannabis will carry a copy of the retailer's current license, the employee's government-issued identification, and an identification badge provided by the employer. Green Qi LLC will maintain an accurate list of the retailer's delivery employees. Delivery will only be offered to a physical address in a jurisdiction where such delivery is permitted, not to an address located on publicly owned land or any address on land or in a building leased by a public agency. Delivery employees, carrying cannabis goods for delivery, shall only travel in an enclosed motor vehicle operated by a delivery employee of the licensee and ensure the cannabis goods are not visible to the public.

The vehicle(s) used for the delivery of cannabis goods will be outfitted with a dedicated Global Positioning System (GPS) device for identifying the geographic location of the delivery vehicle. The device shall be either permanently or temporarily affixed to the delivery vehicle and shall remain active and inside of the delivery vehicle at all times during delivery. At all times, the retailer shall be able to identify the geographic location of all delivery vehicles that are making deliveries for the retailer and shall provide that information to the City or Bureau of Cannabis Control upon request. Upon request by an authorized agent, the retailer will provide information regarding any motor vehicles used for the delivery of cannabis goods, including the vehicle's make, model, color, Vehicle Identification Number, license plate number and Department of Motor Vehicles registration. While making deliveries, Green Qi LLC's delivery employee shall not carry cannabis goods worth in excess of \$3,000 at any time. This value shall be determined using the current retail price of all cannabis goods. While in transport, all cannabis goods will be enclosed in a locked container.

The delivery service will have a menu available on their website, and existing customers can either place their orders over the phone or online. In order to set up a delivery, a photo or scan of the customer's Government issued ID will be submitted prior to the ordering process. The customer will send over all necessary information and will have a profile created within the point of sale system. The order will go into the system and be pulled by an employee at the retail facility. Once the order is filled it will be placed in an exit bag with a receipt affixed to the bag. The receipt will include: the name of the customer, their assigned ID number, delivery address, description of the cannabis items, total amount paid by the customer including all taxes, name and address of the facility making the delivery, the name and ID number of the employee making the delivery, and the name and ID number of the employee who prepared the delivery. The driver will retain an additional copy of the receipt to be signed by the customer upon receipt of the delivery. There will be space provided to have the date and time written in of when the delivery was made.

While making deliveries of cannabis goods, Green Qi LLC's employee shall only travel from the licensed premises to the delivery address; from one delivery address to another delivery address; or from a delivery address back to Green Qi LLC's licensed premises. Green Qi LLC's delivery employee will not deviate from the delivery paths described in this section, except for necessary rest, fuel, or vehicle repair stops, or because road conditions make continued use of the route unsafe, impossible, or impracticable.

## **2. On-Site Consumption**

Green Qi plans to provide a comfortable space for patients to sample cannabis products in a safe, guided and educational setting. According to the city of Santa Rosa guidelines, the products provided would include only ingestible and topical forms.

The consumption area will be separate from all other areas of the dispensary. Admittance to this area will be carefully controlled, with all persons registering before they enter. The consumption area will be adequately staffed and supervised during all open hours. A separate registration will be required of all those who intend to use the consumption lounge. Consumption will only be allowed in the consumption area. Consumption is prohibited in all other areas of the dispensary.

Generally, patients should not consume more than 50 milligrams of cannabis onsite, with the preferred amount being 3 - 20mgs. The intent of onsite ingestibles consumption is to use a light dose, so that any influence felt from the active substance will be mild. There are certain conditions

that require a high dose to treat, and patients get an equally high tolerance to match. These are experienced users, who will self-titrate their dose, if they have such need. If any employee or supervisor feels uncomfortable about dosing level, the manager will be called to intervene.

Green Qi will create a policy to prevent overuse while onsite. The goal is to encourage safe transportation and to prevent nuisance. It is the responsibility of all staff members to cut off any clearly intoxicated Patient. To gauge intoxication, Green Qi will use guidelines created by the California Department of Alcohol Beverage Control, in ABO 637, Signs of Intoxication.

The Medicinal and Adult Use of Cannabis Regulation and Safety Act (MAUCRSA) states that “a local jurisdiction may allow for the smoking, vaporizing, and ingesting of cannabis or cannabis products on the premises of a retailer or microbusiness if all of the following are met:

1. Access to the area where cannabis consumption is allowed is restricted to persons 21 years of age and older.
2. Cannabis consumption is not visible from any public place or non-age-restricted area.
3. Sale or consumption of alcohol or tobacco is not allowed on the premises.”

Green Qi will only allow persons 21 years of age older into the on-site consumption area. The on-site consumption area is not visible from any public place or non-age-restricted area of the premises. Any windows between the on-site consumption area and the retail show room will be shaded by window coverings that completely block out visibility into the on-site consumption area. Screening will be strategically placed to completely block all visibility into the designated on-site consumption area from any public place or non-age restricted area of the premises. The sale and consumption of alcohol and tobacco is strictly prohibited of all persons on the premises of the facility.

### **3. Special Events**

No Special Events that would take place on public property are being proposed. In the event of a special event sales day where a food truck or live music is desired, Green Qi will work with the city of Santa Rosa to determine if an Events Permit will be required to have special event entertainment, such as a live band, or food vendors in the parking lot of the proposed site. Nothing blocking public right-of-way or streets will be proposed. If there is a live band, all Santa Rosa noise ordinances will be strictly adhered to.

Special events will only be advertised within the store as well as on appropriate marketing channels so only customers of age to purchase legal cannabis will be able to view event announcements and advertising. If special events, such as large sales day, expect to garner high-volume customer traffic, Green Qi will work with surrounding businesses and plan for extra precautions to mitigate loitering, trash, and prevent any illegal public consumption of products purchased.

**e. Storefront, Signage, and Window Treatments**

The dispensary storefront is visible from Sonoma Highway. The building entrance to the dispensary is clear and legible. There are two large windows facing north on the building. All signage posted will comply with state and local requirements. Signs on the premises do not obstruct the entrance or windows. No exterior signage or symbols are displayed which advertises the availability of cannabis using drug-related symbols which may attract minors or which is carried out in a manner intended to encourage persons under twenty-one (21) years of age to consume cannabis or cannabis products. In addition, no such signage or symbols are displayed in the interior of the facility in such a way as to be visible from the exterior.

Business signage will be only the name of the dispensary which sign will comply with City Ordinances and will not contain any logos or information that identifies, advertises or lists the services offered. A sign permit will be obtained for any business signage.

Per State regulations, 8x10” clear and legible signs will be displayed in a conspicuous location inside the dispensary where they will be visible to customers in the normal course of a transaction, stating: a) “The dispensing of cannabis without a state license is illegal.” b)“Use or consumption of cannabis on this premises or property is prohibited.” c) “, All visitors to this premise must be at least 21 years of age, or, at least 18 years of age and able to show a government issued medical cannabis ID card in accordance with HSC 11362.7(c) through (g).” A notice that will be posted will state upon entry indicating that: smoking, ingesting, vaporizing or consuming cannabis on the premises or within 1,000 feet of the dispensary is prohibited. Green Qi will also comply with any California Prop 65 standardized warning that states, with the required symbol: “WARNING: Marijuana products can expose you to chemicals including marijuana smoke, which is known to the State of California to cause cancer. For more information, go to [www.prop65warnings.gov](http://www.prop65warnings.gov)”. Business advertising will be minimal with only the name of the dispensary. The applicant if required will obtain a sign permit prior to installation.

Applicant will install all signage as required by in Santa Rosa Ordinance No. Ord -2017-025 in accordance with the City's sign permitting process, including the display of the permit (Santa Rosa, Cal., ORD-2017-25, Chapter 20 § 46.80 (F11)) during business hours and in a conspicuous place so that the same may be readily

seen by all persons entering the facility. Green Qi LLC's identification signage will be permitted by the City prior to installation and will not contain any logos or information that identifies, advertises, or lists the specific products or services offered by the dispensary. A sign indicating active security camera monitoring will also be posted at the entrance. Our dispensary license will be posted in the lobby, in a conspicuous place so that it will be readily seen by all persons entering the dispensary.

## Addendum A - State Regulations

Green Qi will comply with all state of California rules and regulations. Our team has read in detail the California Code of Regulations, Title 16, Division 42. Bureau of Cannabis Control and we are fully prepared to follow and abide by each CCR Code §§5000-5814 that apply to retail facility locations.

- §5002. Annual License Application Requirements  
We will comply with all state rules and regulations.
- §5003. Designation of Owner
- Mr. Jesse Narvaez will serve as our designated owner under Business and Professions Code section 26001(al) and will submit all information required of owners under section 5002. We will comply with state rules and regulations.
- §5004. Financial Interest in a Commercial Cannabis Business  
We will comply with all state rules and regulations.
- §5005. Personnel Prohibited from Holding Licenses  
We will comply with all state rules and regulations.
- §5006. Premises Diagram  
Please see Site Plan and Floor Plan for more details on our premises.
- §5007. Landowner Approval  
Our ownership group purchased the property 4880 Sonoma Highway, Santa Rosa, CA. By owning the property we will not be beholden by a landlord giving our Company full reign over design, construction and operations.
- §5008. Bond  
All retail facilities applying for state permits are required to have a \$5,000 surety bond to the State of California to cover the cost of destruction of cannabis goods, CCR Code 5008. We intend to obtain this bond from a corporate surety licensed in California, prior to opening.
- §5009. Limited Waiver of Sovereign Immunity  
We will comply with all state rules and regulations.
- §5010. Compliance with the California Environmental Quality Act  
Our dispensary is exempt from CEQA, as we are occupying an existing building with no proposed expansion to our footprint. We will comply with all state rules and regulations.
- §5011. Additional Information  
If more information is needed for the Bureau to review our application, the Bureau will notify our person of contact and we will provide all information within a timely manner.
- §5012. Incomplete Applications  
If our application is incomplete the Bureau may provide notice to our person of contact. We believe our application is complete and ready for a full review by the Bureau.

- §5013. Withdrawal of Application  
We do not plan to withdraw our application.
- §5014. Fees  
We understand the annual application licensing fee for each license is \$1,000. Our state application will include a check of \$1,000 made payable to the Bureau. We estimate annual revenues between \$500,000 to \$1,500,000 meaning we anticipate to pay annual cannabis retailer license fees of \$12,000.
- §5015. Payment of Fees  
We will make all payments to the Bureau of Cannabis Control by check, cash, money order or credit card.
- §5016. Priority Licensing  
We are applying as a new retail license, as our dispensary did not exist before September 1, 2016.
- §5017. Substantially Related Offenses and Criteria for Rehabilitation  
None of our owners have been convicted of a felony.
- §5018. Additional Grounds for Denial of a License  
We intend to fully comply with all standards set in the regulations
- §5019. Excessive Concentration  
We are applying for a Medicinal and Adult Use Cannabis Retail Dispensary and Delivery license in City of Santa Rosa which has a healthy retail license to population ratio. We feel this is a healthy concentration ratio in a county that receives many tourist visits given its proximity to Sonoma and Napa County wine country.
- §5020. Renewal of License  
We will comply with a timely renewal of our license by completing the license renewal form and annual license fee pursuant to section 5014 of the ordinance. Our renewal will be received by the Bureau no earlier than 60 calendar days before the expiration of the license and no later than 5:00pm PST on the last business day before the expiration of the license if the renewal form is submitted to the Bureau. We will also provide an attestation that all information provided to the Bureau in the original application under section 5002 or subsequent notifications under sections 5023 and 5024.
- §5021. Denial of License  
We will comply if our application is denied.
- §5022. Surrender and Cancellation of License  
We will comply if our license has to be surrendered or canceled.
- §5023. Notification of Changes  
We will comply and notify the Bureau of any changes in our application in writing with 10 business days, with exception to standard operating procedures. The notification will be signed by an owner as defined in §5003.
- §5024. Death or Incapacity of a License

We will comply and notify the Bureau of any death or incapacity to maintain and operate our dispensary.

- §5025. Premises  
Our dispensary premise is ideal for a dispensary and is located on 4880 Sonoma Highway, Santa Rosa, CA. We will apply for a Medicinal and Adult Use Cannabis Retail Dispensary and Delivery license. All records will be maintained separately for each type of sale and clearly indicate that records are related to the Medicinal or Adult Use. Our licensed dispensary will only conduct one type of commercial cannabis activity but we plan to hold a California State License Type 10 Retail Storefront.
- §5026. Premises Location  
Our dispensary premise is ideal for a dispensary and is located on 4880 Sonoma Highway, Santa Rosa, CA. Our location is NOT located within a 600-foot radius of a school providing instruction in kindergarten or grades 1 through 12, day care center, or youth center. Our application provides radius maps and the nearest school is located over 800 feet from our property line.
- §5027. Physical Modifications of Premises  
We plan to make changes and modifications to the building which will enhance the neighborhood and surrounding property values. We will not make any physical changes, alterations or modifications to the licensed premises that was not originally filed within our application. If we decide to make material or substantial changes or modifications we will present to the Bureau for approval. We will submit a new premises diagram that conforms to requirements in §5006.
- §5028. Subletting of Premises  
We will not sublet any area designated as the licensed premises for our commercial cannabis activity.
- §5029. Transition to Regulated Commercial Cannabis Market  
We will comply the July 2018 timeframe and operate under the new cannabis guidelines, without having to transition from older cannabis products.
- §5030. Licensee's Responsibility for Acts of Employees and Agents  
We will take responsibility of enforcing the provisions of the Act and the regulations in this division, the act, omission, or failure of an agent, officer, representative, or other person acting for or employed by a licensee, within the scope of his or her employment or office, shall in every case be deemed the act, omission, or failure of our dispensary.
- §5031. Employee Age Restriction  
We will not hire any employees unless they are 21 years of age or older, per §5031.Employee Age Restriction. According to state regulations, §5017.4, it is a felony to hire, employing, or using a

minor in transporting, carrying, selling, giving away, preparing for sale, or peddling any controlled substance. Our employment screening will include government identification to confirm date of birth, over the age of 21. Additional employee screening will include verifying that the individual is not employed by a cannabis laboratory, as required of §2605b of the Business & Professions Code.

- §5032. Commercial Cannabis Activity Between Licensees  
All commercial activity shall be conducted license to license. Once the transition period ends on July 1st 2018, Adult Use retail licensees shall only receive products from A licenses. And Medical retail Licenses shall only conduct business with M licensees. We do not anticipate opening our dispensary prior to July of 2018, so our products for medical cannabis, will be from M licenses. And our products for Adult use clients will come from A licenses.

Website with active temporary & annual licenses:

[https://cannabis.ca.gov/licensee\\_holder\\_search/](https://cannabis.ca.gov/licensee_holder_search/)

- §5033. Storage of Inventory  
We will comply with all state storage rules and regulations. We will not store cannabis outdoors, near employee break rooms, changing facilities and bathrooms.
- §5034. Significant Discrepancy in Inventory  
We will comply with all discrepancy of inventory rules and regulations.
- §5035. Notification of Criminal Acts, Civil Judgements, and Revocation of a Local License, Permit, or Other Authorization After Licensure  
We will comply and notify the Bureau in writing within 48 hours of a criminal conviction of any owner. The written notification to the Bureau will include the date of the conviction, the court docket number, the name of the court in which the owner was convicted and specific offenses for which the licensee was convicted. We will also ensure that the Bureau is notified in writing of a civil penalty or judgment rendered against the owner in their individual capacity, either by mail or electronic mail, within 48 hours of delivery of the verdict or entry of judgment. We will ensure the Bureau is notified in writing of the revocation of a local license, permit, or other authorization, either by mail or electronic mail within 48 hours.  
Green Qi will complete all mandatory criminal background checks for all business owners, which will be updated every twelve months. No owner will start work on behalf of the dispensary, until this check is complete.  
Green Qi's CEO is responsible for assuring this check is performed, and for keeping the records of such on file for inspection by the city, upon request Green Qi will adhere to this

law regarding ownership “No person who is currently charged with or has been convicted within the (a) previous ten years of a felony, a felony or misdemeanor involving moral turpitude, or any crime involving the sale, possession for sale, manufacture, transportation, cultivation, or distribution of a controlled substance shall be a business owner of a medicinal cannabis retailer or small cannabis manufacturer. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere or no contest”

If any current owner is convicted of a crime, the CEO will notify the Police Chief in writing of this disqualifying conviction, within ten days of the conviction. If warranted, the CEO may submit a written request for a waiver of this prohibition. If the person's involvement with the Green Qi does not pose a threat to public safety. If approved and only if approved the proposed owner will be allowed to join the team.

- §5036. Notification of Theft, Loss, and Criminal Activity  
We will comply with all rules on notifying proper law enforcement and the Bureau for theft, loss and criminal activity.
- §5037. Record Retention  
We will comply with all rules and regulations regarding maintaining records related to our dispensary activity for 7 years.
- §5038. Disaster Relief  
We will comply with all rules and regulations regarding disaster relief.
- §5039. License Posting Requirement  
Upon issuance of our retail license, we will prominently display the license in our waiting area lobby where it can be viewed by the state and local agencies.
- §5040. Advertising Placement
- All our dispensary advertising and marketing placed in broadcast, cable, radio, print and digital communications shall only be displayed where at least 71.6% of the audience is reasonably expected to be 21 years of age or older, as determined by reliable up-to-date audience composition data. Upon request our dispensary will provide the Bureau audience composition data. If we cannot provide audience composition data to the Bureau within the time specified by the Bureau, we will remove the advertising or marketing placement in questions.
- §5041. Age Confirmation in Advertising  
We will comply with all advertising age confirmation rules and regulations. Prior to any advertising or marketing from our dispensary involving direct, individualized communication or dialogue, we will use age confirmation to verify the recipient is 21 years of age or older. We will conduct an age confirmation before having a potential customer added to a mailing list, subscribe, or

otherwise consent to receiving direct, individualized communication or dialogue controlled by our dispensary.

- §5042. Access to Limited-Access Areas  
We will ensure that any person in dispensary premises, except for employees and contractors are escorted at all times by at least one employee while in the limited-access area of our dispensary.
- §5043. Licensee Employee Badge Requirement  
We will follow all rules and regulations according to §5043. License Employee Badge Requirement. All of our employees and independent contractors who work onsite at our retail facility, will have Employee Badges on plastic coated card. This identification will have the name of our facility, license number, Employees first name, color photograph of their face (1 inch by 1.5 inches), and an employee identification number assigned by our dispensary.
- §5044. Video Surveillance System  
We will follow all rules and regulations regarding video surveillance.
- §5045. Security Personnel  
Our retail facility will hire or contract a third party security company to provide security services as required with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code.
- §5046. Locks  
We will secure our facility using commercial-grade, nonresidential door locks. We will use commercial-grade, nonresidential door locks on all points of entry and exit to the dispensary.
- §5047. Alarm System  
We will follow all rules and regulations regarding our alarm system. Our application incorporates a detailed security plan that outlines surveillance, access control, alarm system, camera locations, limited-access areas, security rooms and retention of records.
- §5048. Track and Trace System  
We will follow all rules and regulations regarding the METRC – Track and Trace System. We will create and maintain an active and functional account within the track and trace system prior to engaging in any commercial cannabis activity.
- §5049. Track and Trace Reporting  
We will follow all rules and regulations regarding the reporting of commercial cannabis while using the METRC – Track and Trace System.
- §5050. Loss of Access  
We will follow all rules and regulations regarding the reporting of commercial cannabis while using the METRC – Track and Trace System.
- §5051. Track and Trace Reconciliation

We will follow all rules and regulations regarding the reporting of commercial cannabis while using the METRC – Track and Trace System.

- §5052. Temporary Licenses; Licensees in Operation at Time of Licensure

We are not applying for a temporary license.

- §5053. Returns Between Licensees

We will comply with all state rules and regulations regarding Returns and Destruction.

- §5054. Destruction of Cannabis Products Prior to Disposal

We will comply with all state rules and regulations regarding destruction of cannabis products prior to disposal.

- §5055. Cannabis Waste Management

- We will comply with all state rules and regulations regarding cannabis waste management.