



City of Santa Barbara California

II. C.

STAFF HEARING OFFICER STAFF REPORT

REPORT DATE: November 11, 2008
AGENDA DATE: November 19, 2008
PROJECT ADDRESS: 331 N. Milpas St. (MST 2008-00343)
The Pacific Coast Collective, Inc. Medical Cannabis Dispensary
TO: Staff Hearing Officer
FROM: Planning Division, (805) 564-5470
Danny Kato, Senior Planner *DK*
Doug Zanini, Contract Planner *DZ*

I. PROJECT DESCRIPTION

The project consists of establishment of a medical cannabis dispensary within an existing 2,600 square foot tenant space at 331 N. Milpas Street. A maximum of six (6) employees are proposed at any one time and hours of operation are proposed to be 10 a.m. to 8 p.m. seven days a week.

The applicant has submitted an operational plan that details how the business would be operated to comply with Chapter 28.80 of the City of Santa Barbara Zoning Code. With regard to security, there would be twelve cameras set up to monitor the inside and outside of the building to insure that no loitering, nuisances, or criminal activity occurs in and around the building.

The business originally operated as Pacific Greens, Inc. located at 816 N. Milpas St. from 2006 to July/Aug 2007. In August 2007 the business relocated to 331 N. Milpas St, where it operated until March 2008. The business is now closed awaiting issuance of this permit. The previous business owner transferred Pacific Greens Inc. to current applicant and the business name was changed to Pacific Coast Collective, Inc.

II. REQUIRED APPLICATIONS

The discretionary application required for this project is a Medical Cannabis Dispensary Permit (MCDP) (SBMC §28.80.030).

III. RECOMMENDATION

Staff recommends that the Staff Hearing Officer approve the project, making the findings contained in Section VI of this Staff Report, and subject to the conditions of approval in Exhibit A.

APPLICATION DEEMED COMPLETE: September 23, 2008
DATE ACTION REQUIRED: March 23, 2009

IV. SITE INFORMATION AND PROJECT STATISTICS

A. SITE INFORMATION

| | |
|--|---|
| Applicant: Charles "Jeff" Restivo Pacific Coast Collective, Inc. | Property Owner: Matilija Investment Property, LLC |
| Parcel Number: 031-363-029 | Lot Area: 12,289 sq. ft |
| General Plan: Industrial | Zoning: C-2/M-1 |
| Existing Use: Commercial/Vacant | Topography: Flat |
| Adjacent Land Uses: | |
| Northeast - Commercial Northwest -Residential/Commercial | Southeast – Commercial/Residential Southwest –Commercial |

B. PROJECT STATISTICS

| | Existing and Proposed |
|-----------------------|-----------------------|
| Building Size | 8,500 sq. ft. |
| Proposed Tenant Space | 2,600 sq. ft |

The proposed project is a commercial use that, with the issuance of the dispensary permit, would meet the land use requirements of the C-2 and the M-1 Zone.

V. ISSUES

1. LOCATION LIMITATIONS FOR DISPENSARIES

Pursuant to Section 28.80.060 of the City Zoning Code, a dispensary may be located on parcels fronting on Milpas Street between Carpinteria Street and Canon Perdido Street. The subject site is located on Milpas between these two streets. In addition, dispensaries are not permitted within 500 feet of a park, school, or other dispensary. The subject site meets these requirements as well.

2. CRITERIA FOR ISSUANCE OF A DISPENSARY PERMIT

Section 28.80.090 (B) of the City Zoning Code lists the criteria for issuance of a dispensary permit. The Staff Hearing Officer, or the Planning Commission on appeal, shall consider the following criteria in determining whether to grant or deny a dispensary permit:

1. *That the dispensary permit is consistent with the intent of the state Health & Safety Code for providing medical marijuana to qualified patients and primary caregivers, and the provisions of this Chapter and the Municipal Code, including the application submittal and operating requirements herein.*

The operational plan submitted by the applicant and the applicant's responses to the limitations of Section 28.80.060 of the City Zoning Code, indicate the intent and purpose of the dispensary is to provide medical marijuana to qualified patients and primary caregivers. The applicant has passed the required background check, and the proposed security measures have been found to be adequate by the Police Department. Record keeping requirements will allow the city to monitor and audit the proposed use as necessary. Therefore, this criterion has been met.

2. *That the proposed location of the Dispensary is not identified by the City Chief of Police as an area of high crime activity (e.g., based upon crime reporting district/statistics as maintained by the Police Department).*

The project was routed to the Police Department, whose personnel conducted a site investigation. The area is not considered to be an area of high crime activity based upon crime reporting statistics. Therefore, this criterion has been met.

3. *For those applicants operating other Dispensaries within the City, that there have not been significant numbers of calls for police service, crimes or arrests in the area or to the applicant's existing dispensary location.*

According to the applicant, he has not previously operated dispensaries within the City nor was he involved with the prior operations of Pacific Greens Inc. Therefore, this criterion does not apply to this applicant.

4. *That all required application fees have been paid and reporting requirements have been satisfied in a timely manner.*

The applicant has submitted all required application fees. No reporting requirements are required at this time. Therefore, this criterion has been met.

5. *That issuance of a dispensary permit for the dispensary size requested is justified to meet needs of community.*

The size of the dispensary is 2,600 square feet. However, the size of the dispensary is misleading. Much of the floor plan is wasted space. Because of the store front requirement, this dispensary has two entries, two reception areas, and two lobbies. The dispensing area/green room is larger than is necessary for its purpose. The reception space near the bathroom is not necessary and is labeled as a reception area to simply to provide public access to the bathroom. Therefore, this dispensary size is more a function of the size and layout of the leased space than the number of patients that are intended to be served. This business could

probably be conducted in a 1,000 square foot space, which would be a justifiable size to meet the needs of the community. Therefore, this criterion has been met.

6. *That issuance of the dispensary permit would serve needs of City residents within a proximity to this location.*

According to the applicant, approximately 90-95% of the patients of the business that previously operated in this location (Pacific Greens) were Santa Barbara County residents. There are no other existing dispensaries in the Milpas area. Therefore, the dispensary would serve the needs of local residents.

7. *That the location is not prohibited by the provisions of this chapter or any local or state law, statute, rule or regulation, and no significant nuisance issues or problems are anticipated or resulted, and that compliance with other applicable requirements of the City's Zoning Ordinance will be accomplished.*

The project site is within an area of the City that allows Medical Cannabis Dispensaries (See Exhibit D). No prohibitions for a dispensary at this location were identified in any local, state, statute or rule or regulation. To prevent nuisance issues, the security measures include alarm systems, security cameras and patient screening. The front lobby of the dispensary has large windows and has good visibility from Milpas Street for police surveillance; however, the windows currently have frosted glass that prohibit views into the lobby. As a condition of approval, the Police Department and staff recommend that the frosting be removed from the windows. No smoking or use of marijuana is permitted on the premises and the applicant is required to control loitering and nuisances in the surrounding areas. Therefore, this criterion has been met.

8. *That the site plan, floor plan, and security plan have incorporated features necessary to assist in reducing potential crime-related problems and as specified in the operating requirements section. These features may include, but are not limited to, security on-site; procedure for allowing entry; openness to surveillance and control of the premises, the perimeter, and surrounding properties; reduction of opportunities for congregating and obstructing public ways and neighboring property; illumination of exterior areas; and limiting furnishings and features that encourage loitering and nuisance behavior.*

See finding #7 above. The building has nighttime illumination of exterior areas. The dispensary will have two lobbies with seating and the dispensary with a couch. Staff would recommend that the couch be removed so that patrons do not loiter in the dispensary area. Therefore, this criterion can be been met.

9. *That all reasonable measures have been incorporated into the security plan or consistently taken to successfully control the establishment's patrons' conduct resulting in disturbances, vandalism, crowd control inside or outside the premises, traffic control problems, cannabis use in public, or creation of a public or private nuisance, or interference with the operation of another business.*

The site plan indicates that the applicant will install 10 security cameras within the business premises and the applicant has also stated that he proposes to place two outside cameras, one for the parking lot and one for outside the front entrance. Other cameras would monitor the lobby and the dispensary area.

The applicant proposes to have two security guards on-site during business hours. The security guards' responsibilities will include enforcing the requirements to disallow cannabis use on the site, address any nuisance issues, and ensure that the operation of other businesses in the area are not negatively affected by the use of the site as a dispensary. Signs indicating that patrons are not to use the product on-site and patrols of the surrounding areas should insure that the patrons' conduct is controlled.

One issue with this site is that the only access to the rear parking lot is a narrow driveway between the building and the property line. It is unsafe to allow pedestrians to traverse the driveway as it would conflict with vehicular traffic. If the sole entrance to the business is from the rear of the building, pedestrians and handicapped persons from the street would have to traverse the driveway. If the sole entrance is in the front, people using the parking lot would have to traverse the driveway. As such, staff requested that the applicant revise the floor plan to allow for internal circulation between the front and the rear entrances of the building to eliminate the pedestrian use of the driveway. Therefore, this criterion has been met.

10. That the dispensary would not adversely affect the health, peace, or safety of persons living or working in the surrounding area, overly burden a specific neighborhood, or contribute to a public nuisance; or that the dispensary will generally not result in repeated nuisance activities, including disturbances of the peace, illegal drug activity, cannabis use in public, harassment of passerby, excessive littering, excessive loitering, illegal parking, excessive loud noises, especially late at night or early in the morning hours, lewd conduct, or police detentions or arrests.

See 7-9 above. On-site security is required to patrol outside areas to ensure no one is loitering outside the premises. The proposed hours of operation are to be 10 a.m. to 8 p.m. Seven days a week. Therefore, there should be no late night disturbances associated with this business. If any of the above conditions result from this business, the City would have the ability to revoke this permit, or modify the conditions of the permit to correct any problems that might arise. Therefore, this criterion has been met.

11. That any provision of the Municipal Code or condition imposed by a City-issued permit, or any provision of any other local or state law, regulation, or order, or any condition imposed by permits issued in compliance with those laws, will not be violated.

No provisions of any code, condition of a City-issued permit, or any other local or state law, regulation or order or any condition imposed by permits issued in compliance of those laws has been identified. A condition of approval is included that the use complies with the said

requirements for any future issued conditions on any permits. Therefore, this criterion has been met.

12. That the applicant has not knowingly made a false statement of material fact or has knowingly omitted to state a material fact in the application for a permit.

No false statements of fact or omissions have been discovered by staff. This finding must be based on the information provided in the application package and any testimony presented by the applicant at the SHO hearing. The SHO must make this finding based on a judgment of the facts as stated within the entire record.

13. That the applicant has not engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices with respect to the operation of another business within the City.

The applicant has passed the background check. Per the applicant's statements, the applicant has not engaged in any unlawful, fraudulent, unfair, or deceptive business acts or practices with respect to the operation of another business within the City of Santa Barbara in the past. Therefore, this criterion has been met.

COMPLIANCE WITH THE CHAPTER 28.80 OF THE ZONING CODE (MEDICAL CANNABIS DISPENSARIES)

The project complies with all of the locational requirements of the Medical Cannabis Dispensary Ordinance, and most of its operational requirements. Because the proposal is to place the dispensary in a tenant space with front and rear lobbies, and within a multi-tenant commercial building, there are special circumstances that may not be in strict compliance with some requirements of Sections 28.80.060 &.070. The identified requirements are discussed below:

A dispensary shall only be located in a visible store-front type location which provides good public views of the dispensary entrance, its windows, and the entrance to the dispensary premises from a public street. [SMBC § 28.80.060.B]

The primary entrance shall be located and maintained clear of barriers, landscaping and similar obstructions so that it is clearly visible from public streets, sidewalks or site driveways. [SMBC § 28.80.070.G.1]

Staff anticipates that the rear entrance of the building will be used more than the front of the building. Therefore, the primary entrance to the building is in the rear of the building and is not visible from public streets and sidewalks. The purpose of this requirement is to allow police officers to see the dispensary as they drive by. The Police Department has stated that the location and security plan are adequate. Alternatively, if the SHO determines that the project is inconsistent with the intent and purpose of this requirement, the floor plan can be redesigned to have a single lobby in the front with a closed hallway from the rear of the building to the front lobby. This would require a significant redesign of the tenant improvements.

The entrance area of the dispensary building shall be strictly controlled. A viewer or video camera shall be installed in the door that allows maximum angle of view of the exterior entrance. [SMBC § 28.80.070.C.2]

The entrance to the tenant space is covered by a video camera to be installed by the applicant. The main entrance to the building is covered by a video camera installed by the property management company. Therefore, staff believes that video surveillance of the entrance is adequate and meets the intent of this requirement.

ENVIRONMENTAL REVIEW

Staff has determined that the project qualifies for an exemption from further environmental review under Section 15301 (Existing Development) of the California Environmental Quality Act (CEQA) Guidelines. The project involves a new commercial use in a commercial tenant space within an existing commercial building.

VI. FINDINGS

The Staff Hearing Officer finds that the project complies with the requirements of Chapter 28.80 of the City Zoning Code for regulation of medical cannabis dispensaries. Specifically:

- a. The dispensary permit complies with the limitations on the permitted locations of a dispensary pursuant to Section 28.80.060 of Zoning Ordinance.
- b. The dispensary permit complies with the criteria set forth in Section 28.80.090 (Criteria for Review of Dispensary Applications) of the Zoning Ordinance, as explained in the Staff Report and the Applicant's submittal.
- c. This dispensary permit is approved conditioned upon compliance with the operational requirements specified in Section 28.80.070 of the Santa Barbara Municipal Code and the conditions of approval outlined in Exhibit A.

Exhibits:

- A. Conditions of Approval
- B. Site Plan and Floor Plans
- C. Application package/Operational Plan
- D. Medical Cannabis Dispensaries Allowed Location Downtown Map
- E. Site Photos



City of Santa Barbara California

STAFF HEARING OFFICER CONDITIONS OF APPROVAL

331 N. MILPAS STREET

MST 2008-00343; MEDICAL CANNABIS DISPENSARY

NOVEMBER 19, 2008

1. This Medical Cannabis Dispensary Permit is conditioned upon continued compliance with the operational standards specified in Santa Barbara Municipal Code section 28.80.070.
2. Applicant shall operate the dispensary in accordance with the Operational Plan and information submitted to the City Planning Division on July 8, 2008 and as modified by the Staff Hearing Officer.
3. Prior to commencement of the business, the tenant improvements and modifications to the floor plan in conformance with the revised floor plan submitted September 23, 2008, or as modified City Building Official, shall be completed and shall have cleared final building inspection. The applicant shall obtain a Building Permit for said interior changes.
4. The applicant shall install signs at the front of the building and at the rear of the building adjacent to the driveway stating: "No Pedestrians on Driveway." Location and sign design to be reviewed and approved by the Planning Division.
5. Prior to the anniversary date of the issuance of this permit, the operator shall submit an annual renewal fee, if such fee is established by the City Council.
6. The security/site plan shall be revised to include a total of twelve (12) cameras, including one camera monitoring the parking lot and one camera monitoring the sidewalk in front of the building along Milpas Street.
7. The frosting on the street front windows shall be removed prior to operation. The front lobby shall not have any signs or obstructions that would limit visibility of the lobby from Milpas St.
8. Prior to the issuance of a Building Permit, the operator of the dispensary shall be required to apply for and obtain a Business Tax Certificate pursuant to Chapter 5.04, as required by the State Board of Equalization. Dispensary sales shall be subject to sales tax in a manner required by state law.
9. In order to comply with SBMC §28.80.070.A., prior to any involvement with the dispensary, all new employees, volunteer workers, or any person exercising managerial authority over the dispensary shall apply for and obtain a background check cleared through the City Police Department prior to commencement of activities associated with the dispensary.

Pacific Coast Collective
331 North Milpas Street
Santa Barbara, CA 93103
Business Operations Plan
November 2008

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CITY OF SANTA BARBARA
PLANNING DIVISION

Business Plan

Overview

Pacific Coast Collective is a medicinal cannabis dispensary located in Santa Barbara, CA operating under Compassionate Use Act (Proposition 215) passed in 1996 and senate bill 420 passed in 1994. Pacific Coast Collective's goal is to provide patients with safe affordable access to medicinal cannabis. Medicinal cannabis has been shown to help patients with numerous medical conditions and the people of California (and the city of Santa Barbara) support its use. There is a high demand for medicinal cannabis in Santa Barbara. At one point there were close to ten dispensaries operating in Santa Barbara. Currently, there are no dispensaries operating on the Eastside of Santa Barbara and Pacific Coast Collective will offer convenience to many people living on this end of Santa Barbara. Since most patients pick-up their own prescriptions it is important they have safe and easy access.

Pacific Coast Collective will work closely with city officials and law enforcement to ensure it is operating within the law as intended. Pacific Coast Collective will comply with all regulations established by the Santa Barbara City Council Ordinance 28.80. It plans to be a role model for authorized California dispensaries.

Product/ Service

Pacific Coast Collective seeks to offer high quality cannabis products for its patients at affordable prices. It will sell multiple strains of cannabis since each strain has different benefits. Pacific Coast Collective will strive to offer a diverse product line that suit patients with different medical conditions.

Market Analysis

Many people refuse to use the prescription drugs and don't find them beneficial to the body as a whole. Pharmaceutical companies (and Western medicine) market a wide variety of products to patients that often have dangerous side effects. Medicinal cannabis gives patients an alternative to the standard pill regimen that over time can lead to dependency and deterioration of general health. The Institute of Medicine (IOM) is the gold standard of American medicine. The IOM report recognized the therapeutic benefits of medical cannabis and urged that cannabis be made available to individual patients. A 1999 IOM report states "The accumulated data suggest a variety of indications, particularly for pain relief, antiemesis, and appetite stimulation. For patients, such as those with AIDS or undergoing chemotherapy, who suffer simultaneously from severe pain, nausea, and appetite loss, cannabinoid drugs might thus offer broad spectrum relief not found in any other single medication." There are numerous medical conditions that can benefit from the use of cannabis. (Including: Anorexia, Asthma, Nausea, Pain, Ulcers, Alcoholism, Glaucoma, Depression, Migraine, Anxiety, Inflammation, Insomnia, and Cancer). Pacific Coast Collective will offer medication to meet the various needs of patients.

Strategy

Pacific Coast Collective will work to improve access to cannabis for qualified patients. Its goal is not only to provide patients with needed medication, but also to help people live happier lives. From greeting patients with a smile to opening a car door for someone in need, employees will be expected to do whatever they can to provide patients with support. Pacific Coast Collective will provide a friendly environment where patients feel safe and welcome.

Pacific Coast Collective plans to host off-site activities where patients can intermingle and socialize with each other. Pacific Coast Collective plans to donate money to the local law enforcement and various charitable organizations in Santa Barbara. Its goal is to become a respectable name in the community where people can come for various types of support. A patient comment box will be located in the front of the Dispensary where people can comment on products and services received. This box will also allow patients to recommend additional services and activities they need. The management will read these memos and work to better the patients experience. Pacific Coast Collective will remove the negative stereotype associated with certain cannabis dispensaries. Pacific Coast Collective will build respect by working closely with city officials and law enforcement, keeping sound books and records, and donating time and money to local charities.

Management

Jeff Restivo moved to Santa Barbara as a young child and has continued to live here for the last 25 years. Jeff has a background in business, accounting, and physical fitness. He became familiar with cannabis dispensaries when he became a patient in 2004 due to severe low back problems. Jeff believes in healthy living and sees benefits in using medicinal cannabis. Jeff is a CPA and has worked in local accounting firms for over five years. He also worked with a company specializing in developing and retooling struggling businesses. Jeff is excited to be involved with the Pacific Coast Collective dispensary and will contribute his professional experience.

Summary

The people of California support the use of cannabis for medical purposes and the safest way to distribute quality product to patients is through regulated dispensaries. Pacific Coast Collective will meet the needs of the community and comply with the regulations presented by the city and state. It will go out of its way to present itself in a positive manner to its patients and the community as a whole.

Operations Plan

Location and Access

Pacific Coast Collective is located at 331 North Milpas Street in Santa Barbara, California. The area use is zoned as C-2 /M-1 and the parcel number is 031-363-029. The Dispensary has a private driveway from Milpas Street that runs along the side of the

Location and Access (Cont)

building to a parking lot with eighteen parking spots located behind the Dispensary. The entrance into the Dispensary is located off the parking lot to allow a controlled and safe environment for the patients, caregivers and the public. The entire Dispensary is wheel chair accessible. The property on the north side of the Dispensary is an auto dealer and the south side has commercial spaces. There is little to no foot traffic (other than patients) near the Dispensary entryway.

Dispensary Permit

A valid business Permit is displayed at all times. The permit is located in the bottom right corner of the Receptionist's window.

Minors

No one under the age of 18 years is allowed in the Dispensary. A notice is posted on the front door of the Dispensary; viewable prior to entrance into the Dispensary. A notice is also posted in the Reception Room on the door allowing access into the back area of the Dispensary.

Consumption Restrictions

At no time is consumption allowed on/in the Dispensary premises by staff, patients and/or caregivers. This includes the Dispensary parking lot and within 200 feet of the Dispensary. Patients and caregivers are notified of this policy during their first visit to the Dispensary. The policy is also reiterated upon purchase of cannabis.

New Patients and Caregivers

New patients/caregivers must provide original documentation of a valid doctors recommendation and a form of official identification (i.e. California Drivers License or Identification Card). The recommending physician is contacted and the recommendation is verified prior to admittance. If the physician is unavailable to verify the recommendation, the patient/caregiver is directed to return once the recommendation is verified. All patients/caregivers' records are copied and stored on-site in a locked file cabinet located in the Receptionists Office. Patients/caregivers are assigned a number and recommendation expirations are tracked by the computer system. New patients/caregivers are informed of the Dispensary's policy regarding consumption on premises. They are also given a handout regarding the rules and regulations of cannabis consumption within Santa Barbara as well as cannabis etiquette recommendations.

Existing/Current Patients and Caregivers

When an existing patient/caregiver arrives they provide their identification number and official identification. The patient/caregiver is logged into the computer system and allowed access to the green room. The computer system allows security to view the patient/caregiver's last visit. This system prevents patients/caregivers from trying to re-enter the Dispensary on the same day (even if staff changes).

Expired Patients

The computerized patient/caregiver database keeps track of the patients expiration date. If the patient/caregiver's date is due to expire in less than thirty [30] days, the computer notifies the receptionist. The receptionist then passes on the reminder to the patient/caregiver at that time. If a patient/caregiver arrives and they are expired, the receptionist informs them that they need to renew their recommendation. Once the recommendation is current and verified, the patient/caregiver may gain access to the dispensary.

Employees

Employee's follow the same guidelines as Dispensary patients and caregivers. At no time will cannabis be sold to an employee without a valid doctors recommendation and form of official identification.

Operating Plans

Floor Plan

The dispensary will have a front Milpas St. entrance and a back entrance from the parking lot. There is an additional exit through the rear that can be used in case of emergency. A copy of the floor plan is included with this Business Operations Plan.

Storage

Entire 10 foot by 10 foot room dedicated to cannabis "product" storage. The walls are reinforced by one inch plywood on both sides. The door is steel and is locked by a numeric code, which only the managers have access to. There is a large safe inside the storage room for added security of products and currency. All product and currency are locked in the safe before closing the Dispensary each night.

Restrooms

There is 1 restroom on the premises. The restroom is located off the reception area. The restroom will remain locked and patients must ask for access. If a patient must use the restroom, a security guard will open it for them. At no time is cannabis allowed in the restroom.

Security Guards

There will be a minimum of two security guards on duty at all times. The security guards are responsible for opening the green room door and allowing patients access. The security guards will also be responsible for monitoring the green room. If necessary, a guard will escort patients to their vehicle in the parking lot. Security guards shall have a background in security and be given thorough training by management.

Security Cameras

The Dispensary will use a twelve-camera video surveillance system that will monitor the Dispensary inside and out (camera positioning is included on the Floor Plan diagram).

Security Cameras (Cont)

A person is first picked up/taped on camera as they approach the Dispensary from the front (Milpas St.) entrance or in the drive way approaching the back parking lot. From the parking lot, the patients can be viewed leaving their cars and approaching the rear entrance. The outdoor cameras are equipped with night vision and allow for clear viewing after dark. Once a patient enters the Dispensary another camera is capturing a head shot of the patient. The remaining nine cameras are systematically placed throughout the Dispensary where patients can be viewed at all times. surveillance system can be viewed on screen in the manager's back office or online from remote locations by the managers. The surveillance system is recorded in a two-week loop and offers offsite recording for back up.

Alarm System

The Dispensary is secured with an ATD alarm system, which offers "Best-in-class" monitoring staffed by trained professionals 24 hours a day, 365 days a year. There is a panic button that will send a distress alert to the local police department in case of emergency.

Additional Security Measures

The two receptionist's windows will be fitted with bullet proof glass measuring three [3] inches thick. A steel door with deadbolt was installed between the entrance and Reception area.

Emergency Contact

1. Jeff Restivo at cell 805-284-1905

Employee Information

Background Check

All employees, prior to hiring, are subject to a background check. No person convicted of a felony, on probation, or on parole will be hired. If an employee obtains probation or parole during employment, employee will be placed on leave until they are no longer on probation or parole. If an employee commits a felony while employed, employee will be placed on leave until legal resolution. If and upon conviction, the employee will be immediately terminated.

Personal Records

Upon hire, all employees must submit a completed W-4 and Basic information sheet. These records are placed in the employee's personal file and stored in a locked file cabinet located in the Manager's office. Only the Dispensary owners will have access to the employee files.

Drug Testing

All employees are subject to a drug test monthly administered by the Manager. The Manager will randomly pull one or more files to determine who is tested. Employees that fail the drug test are subject to immediate termination. Employee's that test positive for cannabis and have a valid recommendation are exempt.

Employee Training

All Managers must be CPR certified and go through a training process paid for by the Dispensary. All other employees will be trained on-site by their supervising, manager.

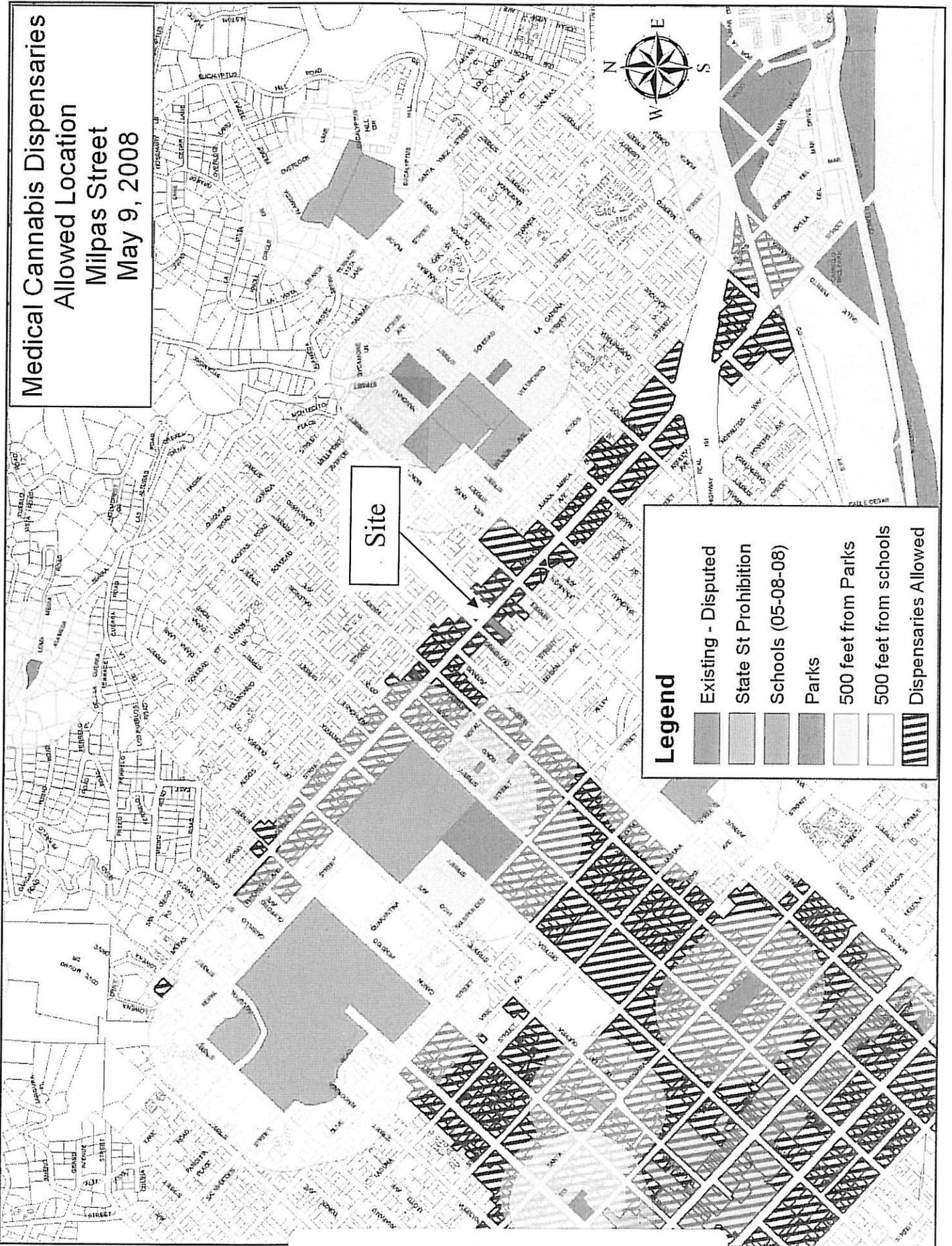
Patient/Caregiver Records

Patients/caregivers are assigned a number upon recommendation verification. All records are copied and placed in a file labeled with the assigned number. The files are then filed, stored and locked in a file cabinet located in the Receptionists Office.

Outdoor Appearance/Maintenance**Trash/Litter Removal**

Security guards are responsible for trash and litter clean-up in and around the Dispensary. All litter and trash is disposed of in the trash bin located in the parking lot. Trash is picked-up by the city once a week. Graffiti is to be removed within 72 hours of application. The property managers (Becker Group, 805-653-6794) will be notified immediately and action is taken based on their guidance.

**Medical Cannabis Dispensaries
Allowed Location
Milpas Street
May 9, 2008**



Site

Legend

-  Existing - Disputed
-  State St Prohibition
-  Schools (05-08-08)
-  Parks
-  500 feet from Parks
-  500 feet from schools
-  Dispensaries Allowed



EXHIBIT E



