Lakeland Village Advisory Council Presentation for the Cannabis Retailer CUP by Nibble This - Lake Elsinore, LLC, d.b.a. CATALYST - Lake Elsinore

CANNABIS CO.

August 26, 2020

Presentation available at: bit.ly/CATALYSTLakeElsinorePresentation

<u>Who We Are:</u> CATALYST - Lake Elsinore is a joint venture bringing together, seasoned local professional, Raquel Origel, boasting nearly 20 years of experience in SOX Compliance, Accounting, and Human Resources and local business and property owner, Clyde Brunner

<u>Our Mission</u>: To establish and operate an all-inclusive, elevated cannabis storefront retailer that is custom-tailored and completely integrative with the local community at 17139 Grand Avenue

<u>What is CATALYST</u>: CATALYST is a successful cannabis brand with multiple active cannabis retailer locations in Southern California whose owners are allowing us to use the brand in unincorporated Lake Elsinore—we believe using an established brand such as CATALYST will help our cannabis retailer gain market share more quickly and increase its purchasing power with cannabis suppliers

CATALYST - Belmont Shore

- Opened in 2017, and previously branded as Connected, CATALYST
 Belmont Shore is located right on Second Street in Long Beach, which is well known for its upscale shops and boutiques
- Cannabis storefront retailer highlights:
 - Address: 5227 E. 2nd Street, Long Beach, CA 90803
 - Open since: October 2017
 - State License #: C10-0000227-LIC
 - 2019 annual revenue: \$4.87M
 - Projected 2020 revenue: \$8.86M





CATALYST - Cherry

- Also previously branded as Connected, right off Interstate 405 in Long Beach, CATALYST - Cherry is visible to an estimated 379,000 vehicles passing by each day
- Cannabis storefront retailer highlights:
 - Address: 3170 Cherry Avenue, Long Beach, CA 90807
 - Open since: October 2018
 - State License #: C10-0000525-LIC
 - 2019 annual revenue: \$4.60M
 - Projected 2020 revenue: \$10.54M





CATALYST - Santa Ana

- Another prior Connected storefront retailer, CATALYST Santa Ana serving a wide range of customers from all over Orange County
- Cannabis storefront retailer highlights:
 - Address: 2400 Pullman Street, Santa Ana, CA 92705
 - Open since: April 2017
 - State License #: C10-0000230-LIC
 - 2019 annual revenue: \$3.13M
 - Projected 2020 revenue: \$9.89M





CATALYST - Bellflower

- CATALYST Bellflower (also formerly Connected) is part of a retail automotive center being converted into a regional cannabis distribution hub
- Cannabis storefront retailer highlights:
 - Address: 9032 Artesia Boulevard, Bldg. B, Bellflower, CA 90706
 - Open since: May 2019
 - State License #: C10-0000376-LIC
 - 2019 annual revenue: \$985K
 - Projected 2020 revenue: \$10.94M



CATALYST - Eastside

- As part of a wider brand conversion of SoCal Connected's storefront retailer operations, the first CATALYST-branded store opened in June 2020 on the Eastside of Long Beach
- Cannabis storefront retailer highlights:
 - Address: 2115 E. 10th Street, Long Beach, CA 90804
 - State License #: C10-0000364-LIC
 - Projected 2020 revenue: \$3.22M





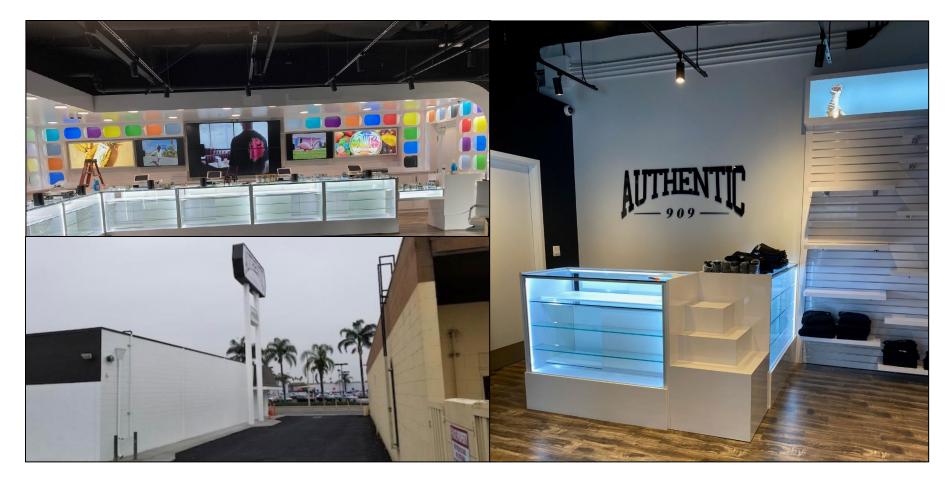
Raquel Origel, Member / Owner & Manager

- Raquel Origel was born and raised in Riverside County; with humble beginnings, she grew-up in Blythe with her parents who were immigrant field workers
- Ms. Origel has managed several successful ventures and, in early 2018, she transitioned to the cannabis industry as a way to fuel her entrepreneurial spirit
 - Raquel was awarded two microbusiness licenses in San Bernardino with one of those licenses set to open for retailer operations on August 27th
- Raquel is a member of several Inland Empire Chamber of Commerce chapters, local philanthropic organizations, and the Inland Empire Chapter of the National Latina Business Women Association



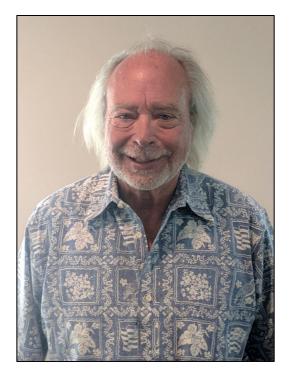
Authentic 909 - San Bernardino

• Raquel's microbusiness at 1181 S. E Street in San Bernardino is set to open for retailer operations as Authentic 909 on August 27th



Clyde Brunner, Member / Owner

- Clyde Brunner is a very successful business and property owner in in Lake Elsinore as the sole founder and owner of Brookstone Landing, Inc., and Niguel Home Center, Inc.
 - Clyde has owned three commercial properties in Lake Elsinore since 2000, including Brookstone Landing on Riverside Drive and Lakeland Plaza on Grand Avenue in Lake Elsinore
- Clyde prides himself on keeping all his commercial and residential properties landscaped and appealing to businesses
 - Clyde donated a furnished suite at Brookstone Landing Shopping Center to serve as an away station for the Riverside County Sheriff's Department for five years and received a recognition from the City of Lake Elsinore for his service to the community



City of Lake Elsinore Proclamation

City of Lake Elsinore Conclamation

WHEREAS, the support and dedication of the citizens and businesses owners of a City lend strength to the structure of that City to make a better place to five and shop for all its citizens; and

WHENEAS, Mr. Clyde Brunner, President and Manager of Broakstone Landing, Inc., identified a need for a commercial oriented police facility and through his dedication and generosity donated an office store front, phones and utilities to facilitate a City of Lake Police Riverside Downy Sheriff's Department sub-station

Operations Plan

Statement of Operation

Our Company will establish and operate a cannabis storefront retailer at 17139 Grand Avenue pursuant to a CUP / Development Agreement entered with the County, and conduct the following activities:

1. Our Company will purchase, from licensed distributors, finished cannabis and cannabis products that have undergone the quality assurance, inspection, and testing procedures contained in Section 26110 of the California Business and Professions Code; and

2. Our Company will offer cannabis products for retail sale to customers and qualified patients (i) at 17139 Grand Avenue and (ii) via delivery vehicles originating from 17139 Grand Avenue

Storefront Retailer Operational Layout

A. Order Processing Room

- Used for securely staging, loading, and unloading orders of cannabis products, cash, and any other supplies and equipment to and from the storefront off of and onto transportation vehicles
- Used for staging and breaking down of cannabis products prior to retail sale to customers in the Sales Area or via delivery vehicles

B. Cannabis Secure Storage

 Used to securely store (i) finished cannabis products and (ii) cannabis prior to disposal, destruction, or return to a licensed distributor

C. Customer Entrance & Lobby

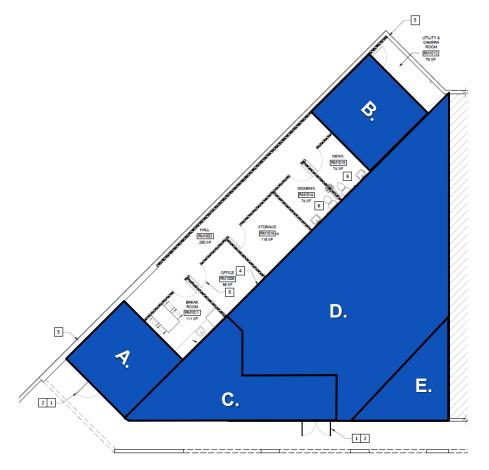
A secure waiting-area for the public to enter the storefront and for validation of status

D. Customer Sales Area

 A sales floor for securely displaying cannabis products for observation and limited and/or supervised interaction (smelling, etc.)

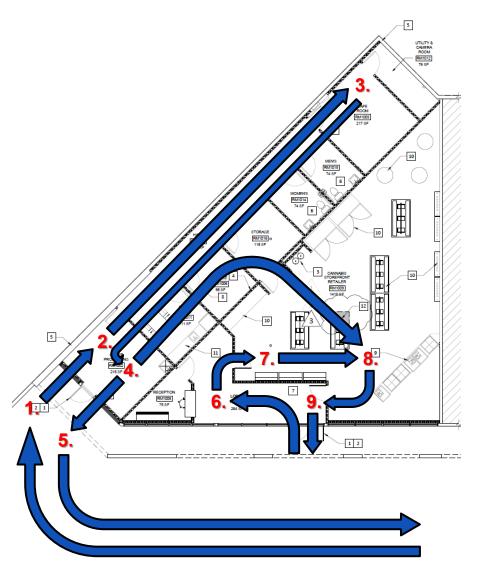
E. Point-of-Sale Stations

 Contains secure points-of-sale from which customers purchase and take orders of cannabis products; used for the intake of adulterated cannabis from customers



Storefront Retailer Operational Flowchart

- 1. Following security checks, transportation vehicles of licensed distributors approach the storefront retailer
- 2. Distribution personnel enter the Order Processing Room and our employees offload cannabis products
- 3. Our employees transfer cannabis products from the Order Processing Room to Cannabis Secure Storage
- 4. After verifying that cannabis products have (i) passed quality assurance and inspection procedures and (ii) been issued a certificate of analysis, our employees transfer the cannabis products from Cannabis Secure Storage to the Order Processing Room for: (i) staging prior to display and sale on the Sales Area and (ii) order assembly and processing
- 5. Our employees transfer assembled and processed orders of cannabis products from the Order Processing Room to delivery vehicles for retail sale
- 6. Customers enter the storefront via the Lobby, and our employees verify the status of customers
- 7. Validated customers enter the Sales Area
- 8. At the Point-of-Sale Stations, validated customers (i) purchase and take possession cannabis products at or (ii) return cannabis that may be adulterated
- 9. After finishing their purpose for visiting, customers are securely allowed to exit the storefront retailer



Cash Handling Procedures

- Many transactions at our storefront retailer will be conducted in cash so our Company has developed special procedures
- Our Company will have all cash in locked fire and waterproof safes inside a secure vault accessible only with a key code

- The safes will be monitored 24/7 with a camera and our alarm monitoring

- Prior to opening and closing for business each day, our Onsite Manager who has access to the cash safes and a witness will remove the cash, count out the cash, and sign off on a receipt with date, time amount, and name and signature
- Our Company has access to banks and banking through its use of ATMs that customer often use for cash transactions

Labor & Employment Practices

- Our Company is deeply committed to its employees and will proudly operate its storefront retailers with UFCW employees code
 - All CATALYST storefront retailers operate under a collective bargaining agreement ("CBA") with UFCW, and Raquel Origel and UFCW 1167 are presently negotiating a CBA for Authentic 909 - San Bernardino
- Our Company has specifically set forth the following policies:
 - Living Wage Our Company uses the following benchmark for the definition of "living wage": 200% of the Federal Poverty Level for a family of two (currently, \$17,240.00, which x 2 = \$34,480.00)
 - Local Hiring Our Company has set a goal that at least 90% of its employees will be Riverside County residents



Emergency Contact – Member / Owner & Manager Raquel Origel ((714) 615-1049; <u>rorigel@gmail.com</u>)

Security Consultant – We hired Cliff Mason, Reliant Consulting and Training, a 29-year veteran of the Riverside Police Department and previous President of the Riverside Police Officer's Association (referred through our community outreach to address local issues)

Diversion Prevention – Cannabis products will only be procured from companies operating in compliance with all laws and regulations and all cannabis products are in the track-and-trace system

21+ Access & Employment – All IDs of anyone accessing the premises are scanned using professional ID scanners

Security Guards – There will always be at least two licensed security guards during hours of operation at our storefront retailer

Anti-Loitering – Security will make hourly rounds of the building to ensure no loitering and check cameras when not making rounds

Video Surveillance – HD cameras at all points of entry, points of sale, and storage areas of cash and cannabis products, and all cameras shall be set to record continuously, 24 hours per day, 7 days per week at 15 frames per second, and be stored for at least 90 days

Physical Security – The following measures in place: (i) PIR motion detectors with video clips, (ii) door contacts on all pedestrian / roll-up doors, (iii) glass break window sensors, (iv) panic buttons, (v) fortified security doors, (vi) electronic door locks, (viii) vault door for cannabis and currency storage, and (ix) adequate lighting

Alarms – A security alarm operated, maintained, and monitored in real time 24/7/365 by Barton Integration (ACO 7801), including magnetic door contacts, PIR motion detectors, and panic buttons at strategic locations with direct notification to the Riverside County Sheriff Secure Storage – Cannabis products / cash stored in the Secure Storage Vault Room only accessible by authorized personnel with a proximity key code; all codes to the Vault Room will be updated immediately if an employee that had the code is terminated or quits

Video Surveillance – Employees to be trained in security and safety procedures, to include escape routes, emergency notification, instructions on activating the alarm system, how and when to use a fire extinguisher, and what should be done after evacuating a building (at least annually, a fire drill will be carried out)

County Sheriff Interaction – A Regulatory Compliance Program that includes a close working relationship with the Sheriff's Department and includes (i) one monthly meeting with our Community Liaison and the County and the Sheriff's Department and (ii) 24-hour notification for theft, criminal activity, or suspected criminal activity

Security Premises Diagram

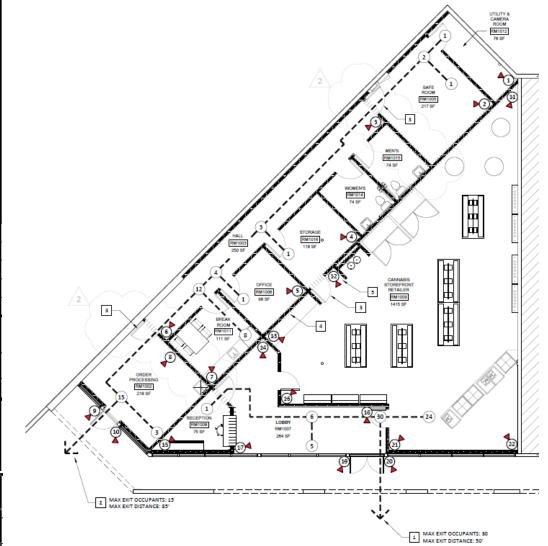
KEYNOTE LEGEND

1	EXIT WIDTH 70". MAXIMUM EXIT OCCUPANT LOAD = 232 OCCUPANTS (33.6" = .3 X 230 OCC)							
2	EXIT WIDTH 36". MAXIMUM EXIT OCCUPANT LOAD = 112 OCCUPANTS (33.6" = .3 X 112 OCC)							
3	LIMITED ACCESS DOOR.							
4	LIMITED ACCESS PERIMETER LINE.							
5	SECURITY CAMERAS.							
	KEYNOTES - SECURITY							
CAMERAS SHALL BE DAY/NIGHT CAPABLE WITH A RESOLUTION OF NO LESS THAN TWO (2) MEGAPIXELS AND A MINIMUM FRAME RATE OF 15 FRAMES PER SECOND.								
	CAMERA - INTERIOR PAN-TILT-ZOOM.							
	IN THE EVENT THAT ANY PORTION OF THE ALARM SYSTEM IS INOPERABLE, THE FACILITY SHALL BE STAFFER AT ALL TIMES UNTIL THE ALARM SYSTEM IS FULLY FUNCTIONAL.							
RECORDED VIDEO ASSESSMENT AND SURVEILLANCE SYSTEM (VASS) SHALL BE EMPLOYED.								
CAMERAS AND VASS STORAGE SHALL BE DIGITAL HIGH DEFINITION OR BETTER, SET TO HIGH QUALITY SETTINGS.								
VASS STORAGE SHALL BE KEPT OFF-SITE OR IN A SECURED AREA ACCESSIBLE ONLY TO MANAGEMENT								
VASS SHALL BE EQUIPPED WITH A BATTERY BACK-UP WITH AT LEAST 24 HOURS OF STAND-BY TIME IN CASE OF POWER FAILURE.								
VASS SHALL SUPPORT STANDARD MPEG FORMATS.								
VASS SHALL BE CAPABLE OF STORING NO LESS THAN 30 DAYS' WORTH OF ACTIVITY AT HIGH QUALITY SETTINGS.								
MANAGER WITH ACCESS TO VASS STORAGE SHALL BE ABLE TO RESPOND WITHIN ONE HOUR. MANAGER SHALL HAVE THE ABILITY TO TRANSFER RECORDED DATA TO ANOTHER MEDIUM (E.G. DVD, THUMB DRIVE, ETC.). CAMERAS SHALL BE EQUIPPED WITH LOW LIGHT CAPABILITY, AUTO IRIS AND AUTO FOCUS. MONITORS DISPLAYING THE EMPLOYEE PARKING AREA AND PROPERTY PERIMETER SHALL BE MOUNTED IN A VISIBLE LOCATION NEAR THE DOOR FROM WHICH EMPLOYEES WILL ARRIVE AND DEPART SO THAT EMPLOYEES MAY MONITOR THE OUTSIDE ENVIRONMENT PRIOR TO DEPARTING THE FACILITY. VASS SHALL PROVIDE COMPREHENSIVE COVERAGE OF: SAFE(S), AREAS OF INGRESS AND EGRESS, PARKING LOT, LOADING AREAS COVERAGE OF NORTH AND SOUTH EXTERIOR SIDES OF THE PROPERTY.								

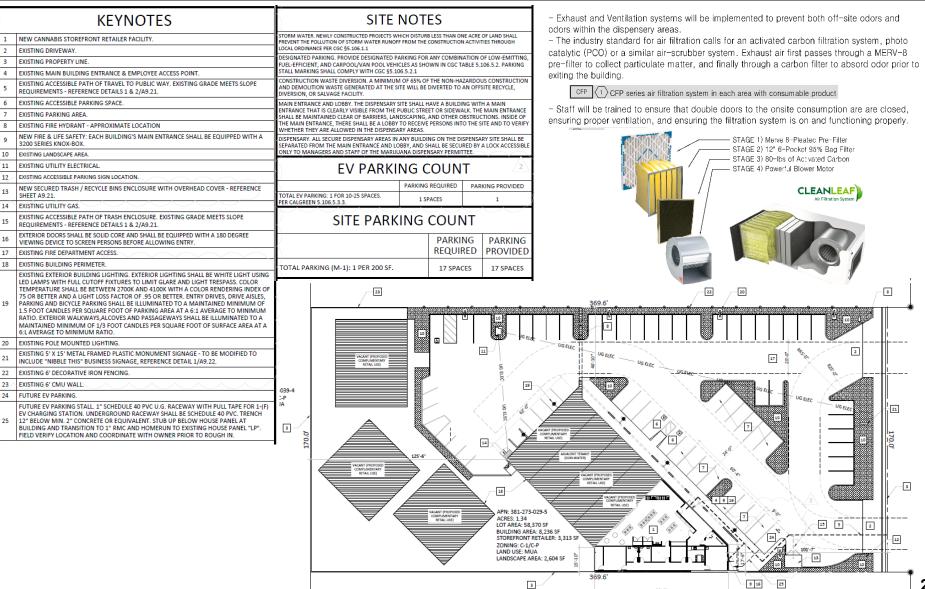
SECURITY BARS NOTES

ALL EXTERIOR BARS TO BE REMOVED FROM WINDOWS.

THERE SHALL BE NO INTERIOR SECURITY BARS AT WINDOWS OR DOORS.



Neighborhood Compatibility Plan



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Nuisance Mitigation – "The Twenty Commandments"

- 1. An Onsite Manager to whom emergency notice can be provided shall be on the storefront retailer at all times during hours of operation.
- 2. Our Company shall also provide the name and telephone number of an Owner or Manager to whom emergency notice may be provided 24 hours a day and our Community Liaison.
- 3. Contact information for our Company's Onsite Manager and Community Liaison shall be made readily available both via the Company's website and on file with the City and State.
- 4. Our Company shall prominently display a copy of its State and County-issued permits in a prominent location visible and accessible to customers and the public.
- 5. At no time shall any of the following items be allowed on the storefront retailer: (i) any controlled substance, other than cannabis; (ii) any paraphernalia used for the ingestion of any type of controlled substance; (iii) alcoholic beverages; or (iv) firearms, except in strict compliance with federal, State, and City laws and regulations.
- 6. Our Company shall not sell alcoholic beverages or tobacco at the storefront retailer and shall prohibit the smoking, vaporization, ingestion, or consumption of alcohol, tobacco, or cannabis in any form at the storefront retailer.
- 7. No employee shall be under the influence of alcohol or drugs while on the storefront retailer premises.
- 8. All cannabis products sold by our Company shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with State and local regulations.

Nuisance Mitigation – "The Twenty Commandments", cont'd

- 9. To track and report on all aspects of its cannabis storefront retailer operation, our Company shall have in place a pointof-sale or management inventory tracking system, which shall have the capability to produce historical transactional data for review and shall be in compliance with the State's track-and-trace system, METRC.
- 10. The Company shall not have an onsite physician for the purpose of evaluating patients for issuance of a medicinal cannabis recommendation or identification card nor shall the Company give or offer to give any form of remuneration to a physician providing medical recommendations for cannabis use if the physician or his or her immediate family have a "financial interest" (as that term is defined in Section 650.01 of the California Business and Professions Code ("<u>B&P Code</u>") in the Company or its cannabis storefront retailer. Our Company shall not distribute any form of advertising for physician recommendations for medicinal cannabis unless the advertisement bears the notice contained in Section 2525.5 of the B&P Code.
- 11. Our Company shall not hire to employ any person under 21 years of age at the storefront retailer and shall not allow any individual under the age of 21 in the storefront retailer unless the individual has a medical recommendation and is over the age of 18.
- 12. Our Company shall not discriminate or exclude patrons in violation of local, State, or federal laws and regulations.
- 13. Our Company shall ensure that cannabis or cannabis products shall not be visible with the naked eye from the exterior of the storefront retailer or from any public or other private property owned or controlled by our Company.
- 14. Outdoor trash receptacles shall be available near the entrances to and exits of the storefront retailer, and the storefront retailer shall be continuously maintained in a safe, clean, and orderly condition with twice daily litter pick-up within 100 feet of the storefront retailer. Such litter pick-up shall include inspections for graffiti, which shall be removed within 24 hours of detection.

Nuisance Mitigation – "The Twenty Commandments", cont'd

- 15. All exterior windows, doors, loading and unloading docks or bays, and any points of ingress or egress into the storefront retailer shall be secured from unauthorized entry by commercial grade, nonresidential locks, and in a manner approved by the Riverside County Sheriff's Department and the exterior of each of the foregoing areas shall be illuminated during evening and early morning hours.
- 16. The ingress and egress points of any storage areas for cannabis products shall be locked and secured at all times, and under the control of and accessible only by employees.
- 17. All waste generated by or resulting from commercial cannabis activities shall be disposed of as required by law, and pending disposal shall be stored in a locked and secure area that is under the control of and accessible only by the Company's authorized personnel.
- 18. Our Company shall employ odor control devices and techniques to ensure that odors from cannabis products are not detectable offsite of the storefront retailer.

Nuisance Mitigation – "The Twenty Commandments", cont'd

19. Signage for the storefront retailer, shall comply with County Ordinance No. 348, including, but not limited to seeking the issuance of a sign permit, if required. Our Company shall notify customers of the following by conspicuously posting of notices in a minimum of 15-point font:

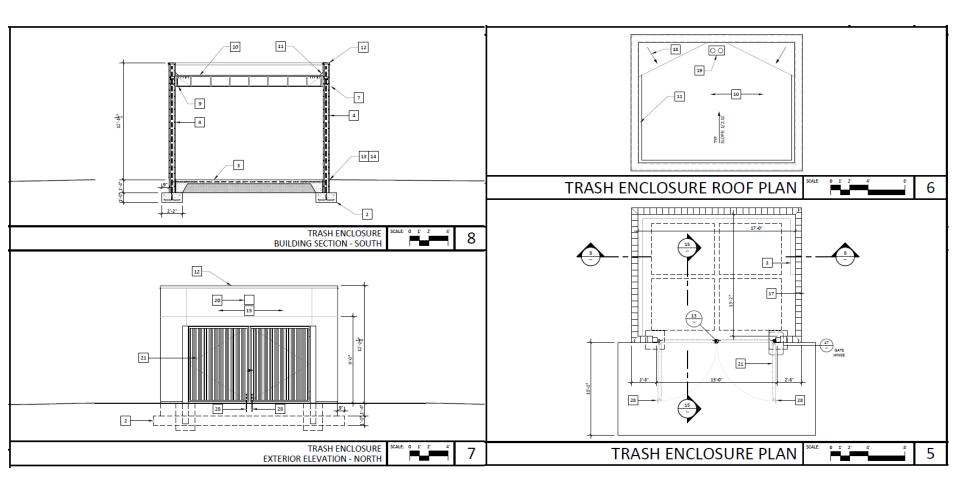
"The sale or diversion of cannabis or cannabis products without a permit issued by Riverside County is a violation of state law and the Riverside County Code. Secondary sale, barter, or distribution of cannabis or cannabis products purchased from a Permittee is a crime and can lead to arrest. Patrons must not loiter in or near these premises and may not consume cannabis or cannabis products in the vicinity of this business or in any place not lawfully permitted. These premises and vicinity are monitored to ensure compliance."

"Warning: the use of cannabis or cannabis products may impair a person's ability to drive a motor vehicle or operate heavy machinery."

"CALIFORNIA PROP. 65 WARNING: Smoking of cannabis and cannabis-derived products will expose you and those in your immediate vicinity to cannabis smoke. Cannabis smoke is known by the State of California to cause cancer."

20. Our Company will create a public awareness campaign for responsible cannabis consumption by sponsoring free on and off-site workshops and seminars to the general public on topics related to responsible cannabis use as well as legal and policy updates regarding commercial cannabis. By becoming embedded into the fabric of the community, our Company will seek to emerge as a touchstone for reliable information and a trusted partner to the community's residents.

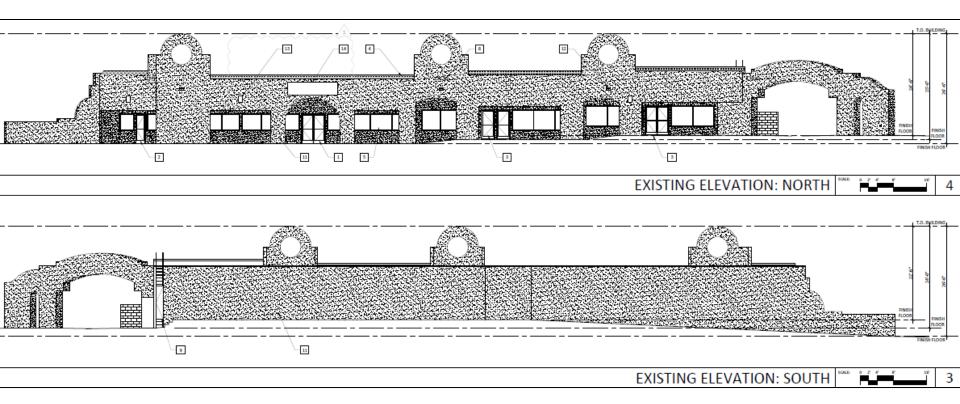
Trash Enclosure Plan



Site Photo Index



Elevation Schematic

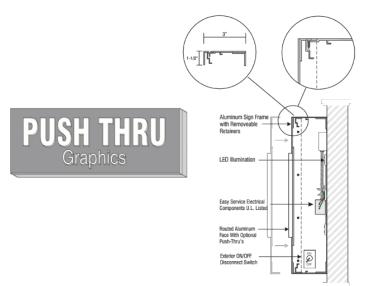


Signage Plan



ILLUMINATED SIGN SPECIFICATIONS:

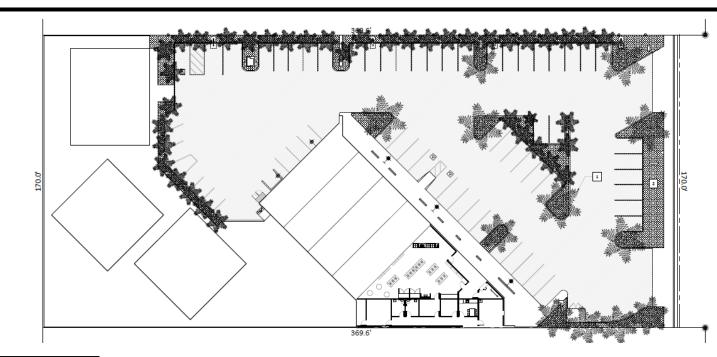
Aluminum body with clear acrylic 3/4" thickness routed out push thru
Color: HEX #0f52ba
Backer: .063 aluminum, 3" return, painted black
Illumination: White LEDs 6500K, w/UL certified







Proposed Landscaping Plan



- 1 EXISTING TREE CALIFORNIA FAN PALM (WASHINGTONIA FILIFERA) QUANTITY: 1
- 2 EXISTING PLANTER AREA.

SHADING CALCULATIONS

AREA OF PAVING INCLUDING PARKING STALLS, DRIVES, MANEUVERING AREA & EXCLUDING LOADING AND TRUCK MANEUVERING AREAS:								26,244 SF	
PERCENTAGE OF AREA REQUIRED TO BE SHADED:								40%	
AREA REQUIRED TO BE SHADED:								10,498 SF	
AREA OF SHADING									
SHADING	1(00%	75%		50%		25%		
(E) WASHINGTONIA FILIFERA	0	962 SF	6	722 SF	38	481 SF	8	240 SF	
SUB-TOTAL AREA:	JB-TOTAL AREA: 0 SF		4,332 SF		18,278 SF		1,920 SF		
TOTAL SHADING AREA PROVIDED:								24,530 SF	
SHADE PROVIDED	24,	530 SF	F > SHADE REQUIRED			10,498 SF			

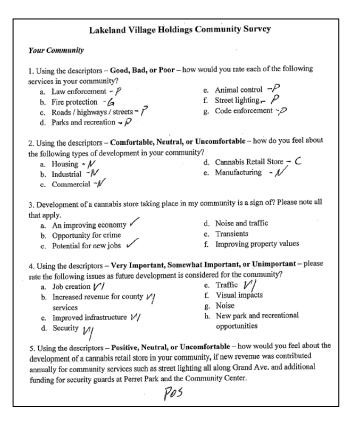
Proposed Public Benefits

 Our Company proposed a Baseline Public Benefit of \$59,904.00 annually (increasing 2% each year) and Additional Public Benefit to the County totaling \$180,000.00 annually (increasing 2% each year)

Year	Baseline Public Benefit	Additional Public Benefit			
2021	\$59,904.00	\$180,000.00			
2022	\$61,102.08	\$183,600.00			
2023	\$62,324.12	\$187,272.00			
2024	\$63,570.60	\$191,017.44			
2025	\$64,842.02	\$194,837.79			
2026	\$66,138.86	\$198,734.54			
2027	\$67,461.63	\$202,709.24			
2028	\$68,810.87	\$206,763.42			
2029	\$70,187.08	\$210,898.69			
2030	\$71,590.83	\$215,116.66			
2031	\$73,022.64	\$219,419.00			
2032	\$74,483.09	\$223,807.38			
2033	\$75,972.76	\$228,283.52			
2034	\$77,492.21	\$232,849.19			
2035	\$79,042.06	\$237,506.18			
Total	\$1,035,944.85	\$3,112,815.04			
Grand Total	<u>\$4,148,759.89</u>				

Public Benefits Priorities

- Through outreach, community briefings, and neighborhood feedback, our Company developed the following priorities for its Public Benefits
 - Street lighting along Grand Avenue
 - A security guard for Perret Park
 - Security Guard for Studio 395 Lakeland Village Community Center
- Our Company has been informed that the County intends to establish a fund rather than having storefront retailers directly fund individual projects



Contact Information

- A Dropbox containing this Presentation can be found at: <u>bit.ly/CATALYSTLakeElsinorePresentation</u>
- For more information and inquiries please contact:

Raquel Origel Member / Owner & Manager Phone: (714) 615-1049 Email: rorigel@gmail.com

Questions?