



CITY COUNCIL STAFF REPORT

DATE: December 16, 2009 PUBLIC HEARING

SUBJECT: REVIEW AND EVALUATION OF APPLICATIONS UNDER CHAPTER 93.22.00 (MEDICAL CANNABIS COOPERATIVE OR COLLECTIVE SPECIAL STANDARDS)

FROM: David H. Ready, City Manager

BY: Department of Planning Services

SUMMARY

The Medical Cannabis ordinance was approved March 4, 2009 and went into effect on April 4, 2009. The ordinance established a 90 day application filing period, which ended July 6, 2009. Eleven (11) applications were received by the deadline. An additional 30 days was set to prepare reports required by the ordinance. On December 2, 2009, the City Council reviewed the eleven submittals and directed six applicants to provide supplemental information.

This report summarizes staff's evaluation of the Council's comments and the information which was received by the deadline, and which is attached to this staff report. One applicant failed to timely submit the supplemental materials requested by Council and another applicant failed to submit by-laws. The City Council will evaluate the information and provide direction, as appropriate.

RECOMMENDATION:

1. Deny the applications of Palm Springs Compassionate Care and the Farmacy Collective.
2. Direct staff regarding the scope of any zoning code text amendments the City Council wishes to consider.
3. Continue the consideration and discussion of all other Applicants.

ANALYSIS:

Following a review of eleven applications at its meeting of December 2, 2009, the City Council indicated that several standards enacted in the zoning code did not reflect the Council's intent and expectations for regulating medical marijuana collectives and cooperatives. For example, the regulations regarding the separation from sensitive uses and the location within commercial centers did not provide sufficient flexibility to accommodate certain "on-the-ground" conditions. On that basis, it maybe appropriate to consider amending to the Zoning Code prior to making any determination on the merits of the eleven applications.

Staff has listed the current standards below, and highlighted in **bold** those which it reflect the City Council's direction:


- 93.22.00(G) \$7,500 deposit required
- 93.22.00(C) **Prohibited within 500 feet of sensitive uses .**
- 93.22.00(C) **Prohibited within 1,000 feet of other MC Coops.**
- 93.22.00(C) **Primary uses on site cannot be commercial-retail**
- 93.22.00(E) **Off-Street Parking: One space per 250 gross square footage**
- 93.22.00 G,1) Number of patients (No minimum or maximum requirement)
- 93.22.00 (G,1) Delivery service Provided: (Yes/No)
- 93.22.00 (G,2) Address as noted
- 93.22.00 (G,3) Site & Floor Plans. (No minimum or maximum area required.)
- 93.22.00(G,4,a.) Security System ; 120 hrs of recording 24/7 on all areas
- 93.22.00(G,4,b) Security System: Installed / monitored by recognized security company.
- 93.22.00(G,4,c) Control of Entrances: locked at all times, controlled by staff.
- 93.22.00(G,4,d) Outdoor lighting of windows, doors & comply with Outdoor Lighting Ordinance.
- 93.22.00(G,4,e) Windows & Storage secured, plan for cannabis to be secure.
- 93.22.00(G,5) Contact information for manager, employees, for criminal background check
- 93.22.00(G,6) Prop. Owner/Lessor Name/Address & MCC acknowledgement
- 93.22.00(G,7) Release of Info Authorization for City Mgr to verify.
- 93.22.00(G,8) Evidence of Bona Fide Non-profit cooperative
Business Area Square Footage (used to calculate parking)
- 93.22.00(K,2) Hours of Operations 9 am and 7 pm Monday through Saturday only
- 93.22.00(K,9,10) Signage "No smoking/consuming" & business name only

In addition, the Council may wish to identify other factors that it would like to consider, which could either be made part of a code amendment, or the application review process.

FISCAL IMPACT: No fiscal impact.



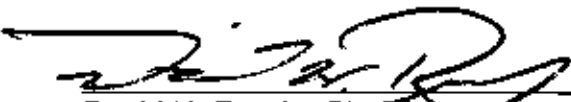
Craig A. Ewing, AICP
Director of Planning Services



Thomas J. Wilson
Assistant City Manager



Douglas C. Holland, City Attorney



David H. Ready, City Manager

Attachments:

1. PSZO Section 93.22.00 Medical Cannabis Cooperative/Collectives

Palm Springs Municipal Code[Up](#)[Previous](#)[Next](#)[Main](#)[Search](#)[Print](#)[No Frames](#)**ZONING CODE****Chapter 93.00 GENERAL CONDITIONS****93.22.00 Medical Cannabis Cooperative or Collective Special Standards.**

- A. No land use entitlement, permit (including building permit) approval, site plan, certificate of occupancy, zoning clearance, or other land use authorization for a Medical Cannabis Cooperative shall be granted or permitted except in conformance with this Section.
- B. Medical Cannabis Cooperatives or Collectives shall be permitted, upon application and approval of a regulatory permit in accordance with the criteria and process set forth in this Section.
- C. No Medical Cannabis Cooperative or Collective shall be established, developed, or operated within five hundred (500) feet of a school, public playground or park, or any residential zone property, child care or day care facility, youth center, or church, or within one thousand (1000) feet of any other Medical Cannabis Cooperative or Collective, and shall not be located on any property that is occupied with a commercial retail use where such use is the primary use on such property. All distances shall be measured in a straight line, without regard to intervening structures, from the nearest point of the building or structure in which the Medical Cannabis Cooperative or Collective is, or will be located, to the nearest property line of those uses describe in this Subsection.
- D. A Medical Cannabis Cooperative or Collective is not and shall not be approved as an accessory use to any other use permitted by this Zoning Code.
- E. A Medical Cannabis Cooperative or Collective shall be parked at a rate of 1 space for every 250 gross square feet of the entire business space.
- F. No more than two Medical Cannabis Cooperatives and/or Collectives shall be maintained or operated in the City at any time. In the event more than two cooperatives or collectives are eligible for regulatory permits under this Section, the City Council shall review and evaluate all qualified applications and will approve issuance of regulatory permits to the most qualified as determined through the Allotment Process described below.
- G. Prior to initiating operations and as a continuing requisite to conducting operations, the legal representative of the persons wishing to operate a Medical Cannabis Cooperative or Collective shall obtain a regulatory permit from the City Manager under the terms and conditions set forth in this Section. The legal representative shall file an application with the City Manager upon a form provided by the City and shall pay a filing fee as established by resolution adopted by the City Council as amended from time to time. An application for a regulatory permit for a Medical Cannabis Cooperative or Collective shall include, but shall not be limited to, the following information:
1. An estimate of the size of the group of primary caregivers and/or qualified patients who will be served by the non-profit cooperative; this description should include whether delivery service will be provide and the extent of such service.
 2. The address of the location from which the cooperative for which application is made will be operated;
 3. A site plan and floor plan of the premises denoting all the use of areas on the premises, including storage, cultivation areas, exterior lighting, restrooms, and signage.
 4. A security plan including the following measures:

- a. Security cameras shall be installed and maintained in good condition, and used in an on-going manner with at least 120 concurrent hours of digitally recorded documentation in a format approved by the City Manager. The cameras shall be in use 24 hours per day, 7 days per week. The areas to be covered by the security cameras include, but are not limited to, the storage areas, cultivation areas, all doors and windows, and any other areas as determined by the City Manager.
- b. The lease/business space shall be alarmed with an alarm system that isoperated and monitored by a recognized security company.
- c. Entrance to the dispensing area and any storage areas shall be locked at all times, and under the control of cooperative staff.
- d. The business entrance(s) and all window areas shall be illuminated during
 - evening hours. The applicant shall comply with the City's lighting standards regarding fixture type, wattage, illumination levels, shielding, etc., and secure the necessary approvals and permits as needed.
 - e. All windows on the building that houses the cooperative or collective shall be appropriately secured and all marijuana securely stored, and a reliable, commercial alarm system shall be installed and maintained.
5. The name and address of any person who is managing or responsible for the Medical Cannabis Cooperative or Collective's activities, and the names and addresses of any employees, if any, and a statement as to whether such person or persons has or have been convicted of a crime(s), the nature of such offense(s), and the sentence(s) received for such conviction(s).
6. The name and address of the owner and lessor of the real property upon which the business is to be conducted. In the event the applicant is not the legal owner of the property, the application must be accompanied with a notarized acknowledgement from the owner of the property that a Medical Cannabis Cooperative or Collective will be operated on his/her property.
7. Authorization for the City Manager to seek verification of the information contained within the application.
8. Evidence that the cooperative or collective is organized as a bona fide non-profit cooperative, affiliation, association, or collective of persons comprised exclusively and entirely of qualified patients and the primary caregivers of those patients in strict accordance with the Compassionate Use Act.
9. A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is true and correct.
10. Any such additional and further information as is deemed necessary by the City Manager to administer this Section.
- H. The City Manager shall conduct a background check of any applicant for a regulatory permit, including any person who is managing or is otherwise responsible for the activities of the cooperative or collective, and any employee, and shall prepare a report on the acceptability of the applicant's background and the suitability of the proposed location. Upon completing the review process, the regulatory permit shall be deemed a qualified application subject to the final certification and approval by the City Council pursuant to the allotment process, unless the City Manager finds that the applicant:
 1. Has made one or more false or misleading statements, or omissions on the application or during the application process; or
 2. The proposed cooperative or collective is not allowed by state or local law, statue, ordinance, or regulation, including this Code, at a particular location.

3. Is not a Primary Caregiver or Qualified Patient or the legal representative of the cooperative or collective; or
4. The applicant, or any person who is managing or is otherwise responsible for the activities of the cooperative or collective, or any employee, if any, has been convicted of a felony, or convicted of a misdemeanor involving moral turpitude, or the illegal use, possession, transportation, distribution or similar activities related to controlled substances, with the exception of marijuana related offenses for which the conviction occurred prior to passage of Compassionate Use Act. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere.
5. The applicant. Or any person who is managing or is otherwise responsible for the activities of the cooperative or collective has engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.
6. Has not satisfied each and every requirement of this Section.

Based on the information set forth in the application and the City Manager's report, the City Manager, or the City Council pursuant to the allotment process, may impose reasonable terms and conditions on the proposed operations in addition to those specified in this Section. A regulatory permit issued pursuant to this Section is not transferable.

I. The City Manager will accept applications for Medical Cannabis Cooperatives or Collectives during a ninety (90) day period commencing on the effective date of this Section. Such 90 day time period plus an additional 30 days to complete the reviews and the preparation of the reports called for in this Section shall be considered the "Application Period." In the event there are no more than two qualified applications submitted during the Application Period and determined to be conditionally qualified by the City Manager, the City Manager shall refer the applications to the City Council with a recommendation that the City Council approve the issuance of a regulatory permit to the applicants, subject to full compliance with the provisions of this Section and any conditions of approval. In the event three or more applications have been determined to be qualified by the City Manager during the Application Period, the City Manager shall submit the qualified applications and the City Manager report on each application to the City Council for review and consideration. The qualified applications shall be considered concurrently by the City Council at a public hearing noticed and conducted pursuant to the provisions of Section 94.02.00 C of this Code. The City Council shall consider the qualified applications after evaluating the applications on their respective merits and the City Council may conditionally approve each qualified application or deny one or more of such applications if the Council makes one or more of the findings listed in Subsection H. The City Council shall rank all qualified applications in order of those that best satisfy the requirements of this Section and provide the highest level of service and opportunities for residents of Palm Springs. The two highest ranked qualified applications shall be granted regulatory permits pursuant to this Section.

J. The obligations of the Medical Cannabis Cooperative or Collective, including all on-going and continuing obligations required pursuant to any provision of this Section or as may be provided in any conditional approval of the City Manager or the City Council, shall be set forth in a covenant running with the land or the leasehold interest, approved as to form by the City Attorney, and enforceable by the City. Such covenant shall also provide that the cooperative or collective shall annually provide to the City Manager an updated application containing the information contained in Subsection G. To the fullest extent permitted by law, the City shall not assume any liability whatsoever, and expressly does not waive sovereign immunity, with respect to medical cannabis, or for the activities of any Medical Cannabis Cooperative or Collective. Upon receiving possession of a regulatory permit as provided in this Section, the collective or cooperative shall

1. Execute an agreement indemnifying the City;
2. Carry insurance in the amounts and of the types that are acceptable to the City Manager; - - -

3. Name the City as an additionally insured.
4. Agree to defend at its sole expense, any action against the City, its agents, officers, and employees because of the issues of such approval.
5. Agree to reimburse the City for any court costs and attorney fees that the City may be required to pay as a result of such action. The City may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder.

K. No persons shall engage in, conduct, or be permitted to engage in or conduct a Medical Cannabis Cooperative or Collective ("cooperative") unless each of the following requirements is continually met:

1. The cooperative or collective shall comply fully with all of the applicable restrictions and mandates set forth in state law, including without limitation the Attorney General Guidelines.
2. The cooperative shall only be open between the hours of 9:00 a.m. and 7:00 p.m., Monday through Saturday.
3. Physician's referrals shall be verified by the cooperative prior to inclusion into the cooperative and at least every six months thereafter.
4. Each member of the cooperative or collective shall be a patient or a qualified primary caregiver. The cooperative shall maintain patient records in a secure location within the City of Palm Springs, available to the City Manager to review upon demand. Such records shall include without limitation a copy of the physician's referral and, if using a primary caregiver, a notarized written authorization from the patient to be represented by such primary caregiver.
5. Cannabis shall be kept in a secured manner during business and nonbusiness hours.
6. If consumable Medical Cannabis products (including, but not limited to, lollipops, brownies, cookies, ice cream, etc.) are present on site or offered for distribution, then the applicant shall secure a County of Riverside Department of Health Services approval for handling food products.
7. No cooperative or collective shall conduct or engage in the commercial sale of any product, good, or service. All transactions between the cooperative or collective and its members or the members' primary caregivers shall be made by check or credit card; no cash transactions shall be allowed.
8. Any Medical Cannabis Cooperative or Collective must pay any applicable sales tax pursuant to federal, state, and local law.
9. On-site smoking, ingestion, or consumption of cannabis or alcohol shall be prohibited on the premises of the cooperative or collective. The term "premises" as used in this Subsection includes the actual building, as well as any accessory structures and parking areas. The building entrance to a cooperative or collective shall be clearly and legibly posted with a notice indicating that smoking, ingesting, or consuming marijuana on the premises or in the vicinity of the cooperative or collective is prohibited.
10. Signage for the cooperative shall be limited to name of business only, and no advertising of the goods and/or services shall be permitted.
11. Alcoholic beverages shall not be sold, stored, distributed, or consumed on the premises. A cooperative or collective shall not hold or maintain a license from the State Department of Alcohol Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages. In addition, alcohol shall not be provided, stored, kept, located, sold, dispensed, or used on the premises of the cooperative or collective.
12. Except as provided in Subsection G-4, windows and/or entrances shall not be obstructed and must maintain a clear view into the premises during business hours.

13. No one under 18 years of age shall be a member of a cooperative or a collective without written authorization of a parent or legal guardian.
14. Physician services shall not be provided on the premises. "Physician services" does not include social services, including counseling, help with housing and meals, hospice and other care referrals which may be provided on site.
15. The building in which the cooperative or collective is located as well as the operations as conducted therein shall fully comply with all applicable rules, regulations, and laws including, but not limited to, zoning and building codes, the City's business license ordinances, the Revenue and Taxation Code, the Americans with Disabilities Act, and the Compassionate Use Act.
16. The cooperative or collective shall not distribute, sell, dispense, or administer cannabis to anyone other than qualified patient members of the cooperative or collective and their primary caregivers.
17. A Medical Marijuana Cooperative or Collective shall distribute only cannabis cultivated on the premises or by a member of the cooperative or collective or the member's primary caregiver. The cooperative or collective shall do an inventory on the first business day of each month and shall record the total quantity of each form of cannabis on the premises. These records shall be maintained for two (2) years from the date created.
18. Provide the City Manager with the name, phone number, facsimile number, and email address of an on-site community relations or staff person or other representative to whom one can provide notice if there are operating problems associated with the Cooperative. The Cooperative shall make every good faith effort to encourage residents to call this person to try to solve operating problems, if any, before any calls or complaints are made to the police or planning departments.
19. Fully comply with and meet all operating criteria required pursuant to the Compassionate Use Act, state law, the Attorney General Guidelines, the provisions of this Section, and any specific, additional operating procedures and measures as may be imposed as conditions of approval of the regulatory permit, and all requirements set forth in the covenant as described in Subsection J, in order to ensure that the operation of the cooperative or collective is consistent with the protection of the health, safety, and welfare of the community, qualified patients, and primary caregivers, and will not adversely affect surrounding uses.

L. Enforcement.

1. Recordings made by the security cameras shall be made available to the City Manager upon verbal request; no search warrant or subpoena shall be needed to view the recorded materials.
2. The City Manager shall have the right to enter the Medical Cannabis Cooperative or Collective from time to time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this Section and all laws of the City and State of California.
3. Operation of the cooperative or collective in non-compliance with any conditions of approval or standards of this Section shall constitute a violation of the Municipal Code and shall be enforced pursuant to the provisions of this Code.
4. The City Manager may revoke a medical marijuana regulatory permit if any of the following, singularly or in combination, occur:
 - a. The City Manager determines that the cooperative or collective has failed to comply with this Section, any condition or approval, or any agreement or covenant as required pursuant to this Section; or
 - b. Operations cease for more than 90 calendar days, including during change of ownership proceedings; or

- c. Ownership is changed without securing a regulatory permit; or
- d. The cooperative or collective fails to maintain 240 hours of security recordings; or
- e. The cooperative or collective fails to allow inspection of the security recordings, the activity logs, or of the premise by authorized City officials.

5. Any decision regarding the approval, conditional approval, denial, or revocation of a regulatory permit may be appealed to the City Council. Said appeal shall be made by a notice of appeal from the person appealing within thirty (30) days from the date of the decision. The appeal shall be accompanied by a fee, which shall be established by resolution of the City Council amended from time to time, and a written, verified declaration setting forth the basis for the claim that the permit was improperly approved, denied, conditioned or revoked. Filing of an appeal shall suspend the issuance of all regulatory permits until action is taken on the appeal.

M. In the event a qualified cooperative or collective that receives an allotment under Subsection I of this Section ceases to operate for any reason, the City Manager shall reopen the allotment process and provide an opportunity for new applications to be submitted. The time periods and process provided in Subsection I shall be applied to the review and consideration of applications and the allotment of a regulatory permit. (Ord. 1758 § 5, 2009)



City of Palm Springs

Office of the City Clerk

3200 E. Tahquitz Canyon Way • Palm Springs, California 92262
Tel: (760) 325-8201 • Fax: (760) 322-8332 • Web: www.palmsprings.ca.gov

NOTICE OF CONTINUANCE

NOTICE IS HEREBY GIVEN that the Regular Meeting of December 2, 2009, Public Hearing Item No. 1.F.

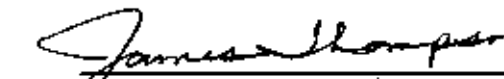
REVIEW AND EVALUATION OF ELEVEN APPLICATIONS FOR POSSIBLE AWARD OF TWO PERMITS FOR THE OPERATION OF A MEDICAL CANNABIS COLLECTIVE / COOPERATIVE

After closing public testimony, by a majority vote of the City Council of the City of Palm Springs City Council 1) Designated applicants Cannahelp (Application No. 001), CAPS Apothecary (Application No. 003), PS Compassionate Care (Application No. 004), Desert Organic Solution (Application No. 006) Farmacy Collective (Application No. 007), and Herbal Solutions (Application No. 009) to submit supplemental information for the City Council's final determination on December 16, 2009, in the Council Chamber, 3200 E. Tahquitz Canyon Way, at 6:00 p.m., or as soon thereafter as possible; 2) the supplemental information is limited to 5 pages total, each applicant shall address if product is grown on-site, other city experience, handling of money, pricing information, number of patients participated; and 3) Each applicant shall address or submit evidence of bona fide non-profit cooperative.

AFFIDAVIT OF POSTING

State of California)
County of Riverside) ss.
City of Palm Springs)

I, James Thompson, City Clerk of the City of Palm Springs, California, certify this Notice of Continuance was posted at or before 6:30 p.m., December 3, 2009, as required by established policies and procedures.


James Thompson
City Clerk

12/04/09

Dear Mr. Ewing

My name is James Camper, owner of the collective Organic Solutions of the Desert; I am writing this letter in hopes you will reconsider excluding me from being allowed to return on Dec 16TH.to present my case. I was approved as one of the collectives to possibly receive a license to operate. Just prior to the end of the meeting you were given a 3 page petition against my opening on Williams's rd. I personally checked every address on the lists, all signatures on 2 full pages are from people who live in the surrounding neighborhoods, all of which are well beyond on the 500ft required a collective be located from resendial areas. The other page listing most of the Williams rd addresses, all but 3 were over 500, some over a 1000ft. There were even a few from Cat City and DHS. I believe that I was dismissed based on that petition.

I also feel that the collectives should be picked on total compliance. The ordinance states a COLLECTIVE MUST BE 500 FT FROM CHURCHES, SCHOOLS AND RESIDENTS, only 3 of the signatures on the petition were within 500 ft but yet rules are bent to accommodate other collectives who violate the ordinance that are less than 500 ft from a church, as per city ordinance If the council bents the rules for 1 then is that fair?

The grocery store referred to in the petition is a liquor store that sells some food items, mostly Viet

RECEIVED

DEC 07 2009

PLANNING SERVICES DEPARTMENT 11

Nemeses, which is next door to a hydroponics store.

I have been located at that location since Nov 2009 paying rent but remained closed the whole time. If you will not allow me to be reinstated to attend Dec 16th, I feel it is only fair all are treated the same, yet the fact I collective is less than 500 ft from a church but reinstated because of a wash behind their collective, but that is not how ordinance worded, another 2 shop closes day before last meeting, another is located next to child care center and has been operating this whole time, closing like several other collectives the day before council meeting.

I also was never informed about the petition, I received a copy of petition at meeting and a letter dated April 24, 2009 stating a petition was turned in from surrounding area, again which all are beyond the 500 ft from residential areas, a condition of the ordinance.

Enclosed is a copy of letter dated April 24, 2009 which I never received to give me a chance to counter their petition. I only ask you reconsider my request based on invalid petition based on signatures from residents well beyond 500ft minimum. I have also included a copy of petition from surrounding shops less than 500 ft from my collective that have no objections to my opening on Williams rd. I am also sending a copy to head of planning commission.

I can be reached at 760-7665076, thank you for listening and only hope you give me a fair chance extended to others who according to staff report where not in compliance, while report shows only question was related to non profit paperwork which I can provide, and petition signed by residents well beyond 500ft, again

thank you for listening. I hope you reconsider and issue the 2 licenses to those who are in total compliance.

I also am requesting that I be given a chance to obtain a license once it is determined 2 collectives are not enough for this city and more are needed so please keep my application on file,

thanks again

Jim camper

All near 500 - 1000 ft from my store located between hydroponic store.

We strongly oppose any marijuana dispensary in the Demuth Park Neighborhood!!!

The location is across the street from our local grocery and a soccer store, both have many children as customers. And parking is not adequate for the existing businesses.

These dispensaries attract many unsavory looking customers and being so close to Ramon Road and the freeway will make it an easy target for a robbery.

Therefore, we the undersigned would like you to deny a permit to Organic Solutions on Williams Road as a marijuana dispensary.

NAME	ADDRESS	TEL. #/E-MAIL
ESTHER (Jana)	4685 E. RAMON RD	ESTHERJUANDe@y
Sonny Agrosor	928 Avenida Evelita	eiko_love11@yahoo
Cornice Fustes	539 S Waller 12	CorniceFustes@99
Quincy Sanchez	30355 Ave. Del Yermo, CA	328-5829
Denise Gardner	68551 Terrace Rd	P.S. ---
Gene Hord	17300 Corkill Rd #95 DHS	251-4572 Door 119 2000
Leslie W. Ford	48626 Camino del Indio Ca 92208	327-8466
MARK STEVENS	7545 WILLIAMS RD	3278466 / mark
Manuel	8223 S Williams	Palm Sp
Felicia	760 660 S 761 Williams Rd	327-9777
Carol	717 S Mt View Dr	327-9777
Donald E. Wall	4511 E. Sunny Dunes #B	325-4167
SCOTT BAU	4621 E Sunny Dunes Rd	323-4822
Kayle Santacruz	4639 E Sunny Dunes Rd	660-2909
W. Mack	670 OLIVERA PASSO PS	325-6067

PALM SPRINGS, CA. 92264

RECEIVED

DEC 07 2009 14

PLANNING SERVICES DEPARTMENT

WIN 500 FT

OVER 500 FT

EMPTY 4 Rent

555 FT 530 FT 4 way truck

OK win 500 FT

We strongly oppose any marijuana dispensary in the Demuth Park Neighborhood!!!

The location is across the street from our local grocery and a soccer store, both have many children as customers. And parking is not adequate for the existing businesses.

These dispensaries attract many unsavory looking customers and being so close to Ramon Road and the freeway will make it an easy target for a robbery.

Therefore, we the undersigned would like you to deny a permit to Organic Solutions on Williams Road as a marijuana dispensary.

All Residents over 500 ft from my store

NAME	ADDRESS	TEL. #/E-MAIL
Victor Ramos	631 Oleander Rd.	(760) 325-1100
Brian Adams	513 Oleander Rd	320-7777
Angelita Hernandez	7145 Mountain View Dr.	
1. Diana	688 Mountain View Dr	(760) 318-2148
U. Silva	7605. Mountain Dr	322-4270
Jana Villalobos	4433 Sunny Dunes rd.	322-5918
Martin Villalobos	940 Vella rd	325-3135
Josefina mendoza	922 Vella Rd.	778 6323
RABBIT BUCK	934 Vella Rd 13 CA 92264	760 3271579
BEATRICE WALKER	934 Vella Rd 13 CA	760/3271579
RONNE	934 Vella Rd CA	760/3271579
VICKY LUNT	934 Vella Rd.	760 3271579
JESSICA ALCO	934 Vella Rd	327-1579
Tom Mulse	990 S Vella Rd	778-6323
Juan de la Cruz	8045 PALM	778-6853
PHILIP	4970 Camino	770-3700
PALM SPRINGS, CA. 92264		

Door location

~~Over 1000 ft~~

*All Residential
over 500 ft from my
store except 1*

We strongly oppose any marijuana dispensary in the Demuth Park Neighborhood!!!

The location is across the street from our local grocery and a soccer store, both have many children as customers. And parking is not adequate for the existing businesses.

These dispensaries attract many unsavory looking customers and being so close to Ramon Road and the freeway will make it an easy target for a robbery.

Therefore, we the undersigned would like you to deny a permit to Organic Solutions on Williams Road as a marijuana dispensary.

NAME	ADDRESS	TEL. #/E-MAIL
<i>Paula A. Agnesor</i>	<i>890 El Placer Rd.</i>	<i>(760) 325-0920</i>
<i>Paul Capps</i>	<i>826 Arnold Vista Pl.</i>	<i>" 325-2999</i>
<i>GEORGE F. HOFFMAN</i>	<i>645 EUGENE RD.</i>	<i>760-323-9806</i>
<i>Allen Sanderman</i>	<i>650 Eugene Rd</i>	<i>760-327-1917</i>
<i>Mike Hoffman</i>	<i>650 Eugene Rd</i>	<i>760-327-1917</i>
<i>ROSENBERG</i>	<i>664 Eugene Rd</i>	<i>760-416-2594</i>
<i>CHRIS FERRO</i>	<i>11461 WEST DR. MCKINNON VALLEY</i>	<i>7603637765</i>
<i>Harkmat Ahoon</i>	<i>4801 E. SUNNY DUNES RD.</i>	<i>760 322-2040</i>
<i>MICHAEL</i>	<i>745 S Eugene Rd</i>	<i>760-325-6921</i>
<i>John Charles</i>	<i>745 S. Eugene Rd.</i>	<i>949-492-5626</i>
<i>Carl Bong</i>	<i>745 S. Eugene Rd</i>	<i>760-404-2848</i>
<i>Christina Hilton</i>	<i>734 Engenred</i>	<i>760-322-1562</i>
<i>Jacque Stewart</i>	<i>730 Eugene Rd</i>	<i>" 322-7725</i>
<i>Tono Villagran</i>	<i>724-722 Eugene Rd</i>	<i>325 676</i>
<i>Leonid Foster</i>	<i>760-325-0800</i>	<i>720 S Eugene Rd</i>
<i>Humberto A.</i>	<i>(760) 323-3727</i>	<i>706 Eugene Rd</i>
<i>PALM SPRINGS, CA. 92264</i>		

with in

560 S. Williams Rd.
P.O. Box 92667

Important

MR ~~Hawins~~
Planning Dept
Palm Springs City Hall
3200 Tahquanz Way
Palm Springs, Ca 92262

Jay Thompson

From: Craig Ewing
Sent: Tuesday, December 08, 2009 1:31 PM
To: Ginny Foat; Ginny Foat at Home; Jay Thompson
Cc: David Ready; 'Douglas C. Holland'
Subject: FW: Desert Valley Patients Association Contestant #10
Attachments: 1099stevearey.doc; Genea PPM November 17 2009.pdf

Ginny / John,

Please note that this application was one of the five rejected by Council motion (based in part on the fact that DVPA had been in unlawful operation until two days before the hearing). We will forward this information to the City Clerk for distribution to the City Council, but I do not plan to include it with the staff report being prepared for the council's review of the remaining six applications.

Craig A. Ewing, AICP
 Director of Planning Services
 City of Palm Springs
 3200 E. Tahquitz Canyon Drive
 Palm Springs, CA 92262
 760-323-8245

From: Ginny Foat
Sent: Tuesday, December 08, 2009 1:14 PM
To: Craig Ewing
Subject: FW: Desert Valley Patients Association Contestant #10

Craig:

Ginny asked me to forward this e-mail to you.

John

From: Liza Mac Fadden [mailto:smacfadden@me.com]
Sent: Monday, December 07, 2009 7:35 PM
To: Ginny Foat
Subject: Re: Desert Valley Patients Association Contestant #10

Dear Council members,

Please allow me to introduce myself, my name is Steven Arey. I was Contestant #10 at the last city council meeting.

I would like to expand on my presentation, as I do not feel you received all pertinent information. We at the Desert Valley Patient Collective (DVPA), have been providing our more the 5,000 clients with the best medicine and service in this compassionate industry.

It has come to my attention that CAPS had an issue with they're zoning which was forgiving, possibly by variance, to comply with city ordinance. Our mixed use facility should be given the same consideration, as we have been in business for several years.

We are prepared to illustrate our funding, as a non-profit organization, to support the fact that we do not use proceeds from sales of medical cannabis to promote or sustain our business. I feel that the council missed an opportunity to select DVPA as one of the 6 selected for the 2 coveted spots. I currently am a board member of Genea Energy, a multi-million dollar company specializing in energy optimization for commercial buildings. I

am involved and donate to many charities, and am prepared to donate \$100,000 to the association to build the grow required by the city ordinance to comply with all regulations.

Furthermore, I feel that a requirement to give financials to the city to confirm that the monies are from legal businesses and or sources. We have been operating in Palm Springs for years without any criminal, or city complaints from the city or its residents.

My father of 78 years passed away 12/1/2009 of cancer. He was in terrible pain, however responded well to medical cannabis treatment. Because of its benefits, in assisting my father with his pain, I still attended the council meeting on behalf of my family to provide continued compassionate service to the people who need it.

Please consider this petition for contestant #10 and be consistent with zoning enforcement, as it affects the dispensaries. I can be reached anytime at (562) 852-3301. I look forward to hearing from you.

Sincerely,

Steven Arey

On 12/2/09 12:42 PM, "Ginny Foat" <Ginny.Foat@palmsprings-ca.gov> wrote:

Hey Liz:

John Morris here from Councilmember Foat's office. I have been out of town for the past 8 days. In case you didn't get a response from Ginny- you should both speak but everyone is allotted only 3 minutes so I would practice it a few times at home or the office before speaking. Also- how much medicine does DVPA distribute to indigent patients free of charge on a monthly basis?

Thanks:

John Morris

From: Liza Mac Fadden [mailto:smacfadden@me.com]
Sent: Tuesday, November 24, 2009 2:31 PM
To: Ginny Foat
Subject: Desert Valley Patients Association Change of Officer

Hello Ginny,

I hope all is well.

My name is Liza Mac Fadden. I am a Board Member for Desert Valley Patients Association. We wanted to contact you regarding the upcoming counsel meeting. The Association has undergone some positive changes in the recent months. Included in those changes, was the appointment of a new President named Steven Arey.

Mr. Arey, as well as myself would like to represent and speak on the behalf of the Desert Valley Patients Association at the upcoming counsel meeting December 2, 2009. If you could guide us on the City's procedures to speak at the meeting, we would greatly appreciate it.

All my best,

Liza Mac Fadden

Steve L. Arey.

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Ameritrade, Inc., Federal Tax Identification Number: 47-0533629

2004 Consolidated Forms 1099

Form 1099-INT Interest Income (OMB No: 1545-0112)

Line # Category Amount

- 1 Interest Income Not Included In Line 3
\$ 11.35
- 2 Early Withdrawal Penalty 0.00
- 3 Interest On U.S. Savings Bonds And Treasury Obligations 0.00
- 4 **Federal Income Tax Withheld** 0.00
- 5 Investment Expenses 0.00
- 6 Foreign Tax Paid 0.00
- 7 Foreign Country Or U.S. Possession See Details

PO Box 733

Bensalem, PA 19020-0733

Tax Identification Number: 

Account Number: 

User Name: AREY STEVE

For 1099 questions, please call:

888-871-9007

Your Representative:

AMERITRADE

DIVISION OF AMERITRADE INC

PO BOX 2209

OMAHA, NE 68103-2209

STEVE AREY

19622 LARCHMONT CIR

HUNTINGTON BEACH CA 92648-6646

Form 1099-B Proceeds From Broker & Barter Exchange Transactions (OMB No: 1545-0715)

Line # Category Amount

- 1a Date of Sale or Exchange
\$ See Details
- 1b CUSIP No. See Details
- 2 Stocks, Bonds, Etc. Reported To IRS
- Gross Proceeds Less Commissions and Options Premiums 26,415,784.60
- 4 **Federal Income Tax Withheld** 0.00
- 5 No. of Shares Exchanged 2,460,930
- 6 Classes of stock exchanged See Details
- 7 Description See Details
REGULATED FUTURES CONTRACTS
- 8 Profit or (loss) realized in 2004 0.00
- 9 Unrealized profit or (loss) on open contracts - 12/31/03 0.00

- 10 Unrealized profit or (loss) on open contracts - 12/31/04 0.00
- 11 **Aggregate profit or (loss)** 0.00

Jay Thompson

From: Craig Ewing
Sent: Tuesday, December 08, 2009 5:56 PM
To: Jay Thompson
Subject: FW: C.A.P.S
Attachments: 18188173647-1208-141457-031.pdf

Jay,
Please save e-mail and attachment for City Council yellow folder.

Craig A. Ewing, AICP
Director of Planning Services
City of Palm Springs
3200 E. Tahquitz Canyon Drive
Palm Springs, CA 92262
760-323-8245

From: John s [mailto:caps215@gmail.com]
Sent: Tuesday, December 08, 2009 4:34 PM
To: Craig Ewing
Subject: C.A.P.S

----- Forwarded message -----

From: eXtreme Fax <notify@extremefax.com>
Date: Tue, Dec 8, 2009 at 2:15 PM
Subject: New Fax Message from (818) 817-3647 on 12/08/2009 at 02:14 PM
To: Lee Mor <caps215@gmail.com>

You Have a New Fax Message

From: (818) 817-3647
Received: Tuesday, December 08, 2009 at 02:14 PM
Pages: 1
To: (888) 789-1886 (Lee Mor)

To view this message, please open the attachment or login to your eXtreme Fax account by clicking [here](#).

Thank you for using *eXtreme Fax*.

FORE FATHERS FINANCIAL
 3607 W MAGNOLIA BLVD SUITE 6
 BURBANK, CA 91505
 (818)209-6547

Financial Statement for Caps Collective Apothecary Inc.

Currently Caps Collective Apothecary Inc is a non profit corporation which since developed has seen a steady profit quarter after quarter. When the 2009 fiscal year is completed the CCA Inc will show a surplus. As shown below it can be established that The CCA Inc will be able to cover all costs and liabilities associated with business operation and still be able to provide quality medicine to its patients at an affordable price. **The following totals are current projections and are subject to change when the fiscal year is actually completed. Any surplus at the end of the year will be donated back to the patients.**

<u>Category</u>	<u>2009</u>	<u>2010</u>
<i>Income:</i>		
Gross Sales	700,000	1,050,000
<i>Expenditures:</i>		
Rent	42,000	42,000
Build out Expense	11,620	1,420
Cost of Goods	465,250	774,000
Utilities	38,450	38,600
Advertising	3,500	1,500
Accounting	2,550	3,000
Security	6,450	12,050
Employee Wages	100,000	150,000
Totals:	669,820	1,022,570
	<u>2009</u>	<u>2010</u>
Surplus Funds	30,180	27,430

Jay Thompson

From: Craig Ewing
Sent: Monday, December 07, 2009 6:05 PM
To: Chris Mills; David Ready; Ginny Foat; Ginny Foat at Home; Jay Thompson; Lee Weigel; Martha Edgmon; Rick Hutcheson; Steve Pougnet
Subject: Letter - Organic Solution of the Deserts
Attachments: Letter re Council Action 12-07-09.pdf

To All,

We received this letter today regarding the Council's decision on Wednesday regarding Organic Solutions of the Desert. Let me know if you have any questions.

Craig A. Ewing, AICP
Director of Planning Services
City of Palm Springs
3200 E. Tahquitz Canyon Drive
Palm Springs, CA 92262
760-323-8245

When I am working on a problem I never think about beauty.
I only think about how to solve the problem.
But when I have finished, if the solution is not beautiful,
I know it is wrong.
- *Buckminster Fuller (1895-1983)*

12/04/09

Dear Mr. Ewing

My name is James Camper, owner of the collective Organic Solutions of the Desert; I am writing this letter in hopes you will reconsider excluding me from being allowed to return on Dec 16TH.to present my case. I was approved as one of the collectives to possibly receive a license to operate. Just prior to the end of the meeting you were given a 3 page petition against my opening on Williams's rd. I personally checked every address on the lists, all signatures on 2 full pages are from people who live in the surrounding neighborhoods, all of which are well beyond on the 500ft required a collective be located from residential areas. The other page listing most of the Williams rd addresses, all but 3 were over 500, some over a 1000ft. There were even a few from Cat City and DHS. I believe that I was dismissed based on that petition.

I also feel that the collectives should be picked on total compliance. The ordinance states a COLLECTIVE MUST BE 500 FT FROM CHURCHES, SCHOOLS AND RESIDENTS, only 3 of the signatures on the petition were within 500 ft but yet rules are bent to accommodate other collectives who violate the ordinance that are less than 500 ft from a church, as per city ordinance If the council bents the rules for I then is that fair?

The grocery store referred to in the petition is a liquor store that sells some food items, mostly Viet

RECEIVED

DEC 07 2009

PLANNING SERVICES
DEPARTMENT

Nemeses, which is next door to a hydroponics store.

I have been located at that location since Nov 2009 paying rent but remained closed the whole time. If you will not allow me to be reinstated to attend Dec 16th, I feel it is only fair all are treated the same, yet the fact I collective is less than 500 ft from a church but reinstated because of a wash behind their collective, but that is not how ordinance worded, another 2 shop closes day before last meeting, another is located next to child care center and has been operating this whole time, closing like several other collectives the day before council meeting.

I also was never informed about the petition, I received a copy of petition at meeting and a letter dated April 24, 2009 stating a petition was turned in from surrounding area, again which all are beyond the 500 ft from residential areas, a condition of the ordinance.

Enclosed is a copy of letter dated April 24, 2009 which I never received to give me a chance to counter their petition. I only ask you reconsider my request based on invalid petition based on signatures from residents well beyond 500ft minimum. I have also included a copy of petition from surrounding shops less than 500 ft from my collective that have no objections to my opening on Williams rd. I am also sending a copy to head of planning commission.

I can be reached at 760-7665076, thank you for listening and only hope you give me a fair chance extended to others who according to staff report where not in compliance, while report shows only question was related to non profit paperwork which I can provide, and petition signed by residents well beyond 500ft, again

thank you for listening. I hope you reconsider and issue the 2 licenses to those who are in total compliance.

I also am requesting that I be given a chance to obtain a license once it is determined 2 collectives are not enough for this city and more are needed so please keep my application on file,

thanks again

Jim camper

All over 500-1000 ft from my store located between hydroponic store.

We strongly oppose any marijuana dispensary in the Demuth Park Neighborhood!!!

The location is across the street from our local grocery and a soccer store, both have many children as customers. And parking is not adequate for the existing businesses.

These dispensaries attract many unsavory looking customers and being so close to Ramon Road and the freeway will make it an easy target for a robbery.

Therefore, we the undersigned would like you to deny a permit to Organic Solutions on Williams Road as a marijuana dispensary.

NAME	ADDRESS	TEL. #/E-MAIL
ESTHER JIAA	4605 E. RAMON RD	ESTHERJIAA@Yahoo.com
Sunny AAREADY	928 Avenida Euelita	ecko_love11@yahoo.com
Cornel FULTON	539 S Wallerz 12	CornelFulton@yahoo.com
Maria A. Martinez		528-5829
Melissa Gardner	#30355 Ave. Del Yermo, CO	
Andrea Ford	68551 Terrace Rd P.S.	
Gene Hood	17300 Corkill Rd #95 DHS	251-4572 Door #129 20000
Leslie W. Ford	48125 Cambridge St Windsor, CO	92201
MARK STEVENS	7545 WILLIAMS RD	3278406 / markstevens
William King	8223 S WILLIAMS	Palmspr
Felicia	760 660 5761	williams pd 381
Carl	717 S Mt View Dr	377-9771
Donald E. Wall	4511 E. Sunny Dunes #B	325-4167
SCOTT BAU	4621 E Sunny Dunes RD	323-4822
Rogel Santacruz	4639 E Sunny Dunes RD	660-2909
Wally	670 OCEANVIEW BLVD P.S.	325-6007

PALM SPRINGS, CA. 92264

OK with CDST

RECEIVED

DEC 07 2009

PLANNING SERVICES DEPARTMENT

with 500 ft

RIVER 500 FT

EMPTY 4 Rent

5531 530 ft away 550 ft away

We strongly oppose any marijuana dispensary in the Demuth Park Neighborhood!!!

The location is across the street from our local grocery and a soccer store, both have many children as customers. And parking is not adequate for the existing businesses.

These dispensaries attract many unsavory looking customers and being so close to Ramon Road and the freeway will make it an easy target for a robbery.

Therefore, we the undersigned would like you to deny a permit to Organic Solutions on Williams Road as a marijuana dispensary.

All Residents Over 500 Ft from my store

NAME	ADDRESS	TEL. #/E-MAIL
Victor Ramos	631 Oleander Rd.	(760) 325-1100
Brian Adams	513 Oleander Rd	320-7777
Angelita	7145 Mountain View Dr.	
Paula	688 Mountain View Dr	(760) 318-2148
USDA	7809. N. Main Ave	327-4270
Jana Villalobos	4433 Sunny Dunes rd	322-5918
Martin Villalobos	940 Vella rd	325-3135
Josefina mendoza	922 Vella Rd.	778 6323
KATHY BUCK	934 Vella Rd 15 CA 92264	760 3271579
KATHY BUCK	934 Vella Rd 15 CA	760/3271579
DONNE	934 Vella Rd 15 CA	760/3271579
VICKY LUND	934 Vella Rd.	760 3271579
JESSICA ALCO	934 Vella Rd	327-1579
Tom MUSE	910 S Vella Rd	778-6323
Juan P. P. P.	5045 PAVEL	778-6323
PHILIP	4970 PAVEL	770-3700
PALM SPRINGS, CA. 92264		

Don't want to

over 1000 ft

*All Residents
over 500 ft from my
store except*

We strongly oppose any marijuana dispensary in the Demuth Park Neighborhood!!!

The location is across the street from our local grocery and a soccer store, both have many children as customers. And parking is not adequate for the existing businesses.

These dispensaries attract many unsavory looking customers and being so close to Ramon Road and the freeway will make it an easy target for a robbery.

Therefore, we the undersigned would like you to deny a permit to Organic Solutions on Williams Road as a marijuana dispensary.

NAME	ADDRESS	TEL. #/E-MAIL
<i>Paula A. Apeser</i>	<i>890 El Placer Rd.</i>	<i>(760) 325-0920</i>
<i>Bob Capps</i>	<i>826 Arnold Vista Pl.</i>	<i>" 325-2999</i>
<i>WES - GEORGE F. HOFFMAN</i>	<i>645 EUGENE RD</i>	<i>760-323-9806</i>
<i>Allen Sonderman</i>	<i>650 Eugene Rd</i>	<i>760-327-1917</i>
<i>Mike Hoffman</i>	<i>650 Eugene Rd</i>	<i>760-327-1917</i>
<i>Rosenberg</i>	<i>664 Eugene Rd</i>	<i>760-416-2594</i>
<i>CHRIS FERRO</i>	<i>11461 WEST DR. MCKINLEY HTS</i>	<i>7603637765</i>
<i>Hachmat Aboule</i>	<i>4801 E. SUNNY DUNE RD.</i>	<i>760 322-2040</i>
<i>MICHAEL</i>	<i>745 S Eugene Rd</i>	<i>760-325-6931</i>
<i>John Charles</i>	<i>745 S. Eugene Rd.</i>	<i>949-492 5626</i>
<i>Carl Benz</i>	<i>745 S. Eugene Rd</i>	<i>760-404-2848</i>
<i>Christina Hilton</i>	<i>734 Eugene Rd</i>	<i>760-322-1562</i>
<i>Jacque Stewart</i>	<i>730 Eugene Rd</i>	<i>" 322-7725</i>
<i>Tony Villagran</i>	<i>724-722 Eugene Rd</i>	<i>325 6717</i>
<i>Leonid Foster</i>	<i>760-325-0800 7205 Eugene Rd</i>	
<i>Humberto A.</i>	<i>(760) 323-3727 706 Eugene Rd.</i>	
<i>PALM SPRINGS, CA. 92264</i>		

with in

**Electric Motor Service
303 Radio Road
Palm Springs, CA 92262**

RECEIVED
PALM SPRINGS
2009 DEC 10 PM 2:14
CITY CLERK

December 10, 2009

City Council
City of Palm Springs

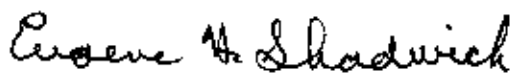
Subject: Case No. 09-004 Medical Cannabis Palm Springs Compassionate Care
3585 Cel Sol Road

Dear Sirs,

I am the owner of Electric Motor Service located at the corner of Radio Road and Del Sol Road. I am opposed to a Marijuana store being located next to me or in this neighborhood for the following reasons:

- A. A church is being built just one lot away on Oasis Road, within 200 feet.
- B. There is a residential neighborhood north on Del Sol Road and across Radio Road, within 400 feet.
- C. There is already a drug problem in this neighborhood. I can't see adding to it.
- D. I think it's morally wrong to sell Marijuana. I think it should be sold through a Pharmacy.
- E. I also think this would bring down my property value. I believe most people would not want to be located next to a Marijuana store.

Respectively,



Eugene H. Shadwick



RECEIVED
CITY OF PALM SPRINGS
2009 DEC 10 AM 8:30
JAMES THOMPSON
CITY CLERK

December 8th, 2009

James Thompson, City Clerk
3200 E. Tahquitz Canyon Way
Palm Springs, CA. 92262

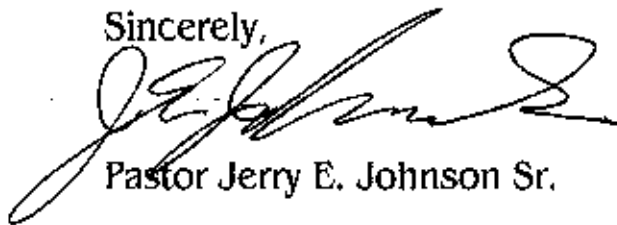
Mr. Thompson,

This communiqué is in regards of the Medical Cannabis Collectives or Cooperatives in the city.

Unfortunately, I was unable to attend the hearing. But, we are strongly opposed to the Medical Cannabis Cooperative or Collective in our area. I believe code requires that a business like this can not be within a 500 foot radius of a church.

Therefore, we are requesting that you deny this application.

Sincerely,



Pastor Jerry E. Johnson Sr.

RECEIVED
2009 DEC 10 AM 10:00
CITY CLERK

December 9, 2009

RECEIVED DEC 10 2009

Mayor Steve Pougnet and City Council Members
City of Palm Springs
3200 East Tahquitz Canyon Way
Palm Springs, CA 92262

Via Email and Federal Express

**Re: The Farmacy Collective of Palm Springs (Farmacy Collective);
Medical Cannabis Collective Permit Application
Supplemental Information**

Dear Mayor Pougnet and Council Members Foat, Hutcheson, Mills and Weigel:

It is with my passion for the movement, my years of scientific experience, and with the best interests of Palm Springs' area medical cannabis patients in mind that I continue to pursue your consideration. We look forward to being selected as a Palm Springs medical cannabis collective permittee.

You have asked for supplemental information which is enclosed. Farmacy Collective is a California nonprofit collective with Bylaws showing democratic control by our members.

Farmacy Collective is capable of providing the highest level of professionalism, service and care to area residents. Through our model, we will be able to bestow the greatest benefit on the most people by creating the safest access possible through:

- Experience gained through operating Farmacy Collective dispensaries with high numbers of members in Los Angeles (where we were an integral participant in addressing the city's regulation issues);
- Professional and licensed staff;
- Leadership by a California Registered Clinical Pharmacist;
- Commitment to organic medicine, assayed for potency and cannabinoid composition as well as molds and pesticides;
- Focus on and extent of compassionate care programs (including elderly, military disability, terminal, non-ambulatory, and other special needs and low-income patients);

- Use of California-licensed private party security personnel;
- Strict and tested protocols regarding financial transactions/records and secured cannabis inventory; and
- 100% on-site cultivation, ensuring "closed-circuit" operations and strictest controls.

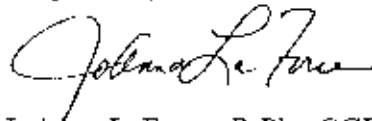
Our location is sufficient to allow for office space, storage space, and 100% on-site cultivation with ample parking.

I apologize for providing the supplemental materials this way, though we have been advised by Mr. Fwing that the Council will continue to consider our submission. The City staff, due to a technical email transmission problem, is unable to include our submission in their report.

Thank you sincerely for your consideration. We look forward to being given the opportunity of demonstrating for the City our model and standards for excellence, and for providing our currently Farmacy Collective members safe access closer to home!

Please do not hesitate to contact me for any reason. I can be reached directly at (805) 331-1136.

Respectfully,



JoAnna LaForce, R.Ph., CGP
Director, The Farmacy Collective of Palm Springs

Enclosures: Farmacy Collective Supplemental Information
Articles of Incorporation
Bylaws

The Farmacy Collective of Palm Springs

December 7, 2009

Dear Mayor Pougnet and Councilmembers Foat, Hutcheson, Mills, and Weigel,

Please accept the following information to help you choose the best Collective model for the City of Palm Springs. Even though I am not presently a resident of your fine city, I have relatives and friends here and visit often. Thus, my desire to provide much needed natural and integrative health services for the varied demographics; especially the elderly and gay populations.

I know that The Farmacy can be an asset and symbol of The Compassionate Use Act and the legislature that was drafted over five years ago to help people of all walks of life afflicted with diseases and symptoms that may benefit from medical cannabis.

Thank you for considering me and my years of expertise and professionalism. I would be honored to be a part of your Community.

Respectfully,

JoAnna LaForce, R.Ph., CGP

I. COLLECTIVE EXPERIENCE

1. Five years as Clinical Director of The Farmacy® West Hollywood
2. Three years as Clinical Director of The Farmacy Westwood
3. Two and 1/2 years as Clinical Director of The Farmacy Venice

Hours of Operation:

West Hollywood - 10am to 8pm Monday thru Saturday; 12pm to 7pm Sunday
Westwood - 12pm to 8pm Monday thru Thursday; 12pm to 9pm Friday and Saturday
Venice - 11am to 9pm Mon thru Wednesday; 11am to 10pm Thursday thru Saturday;
and 12pm to 7pm Sunday.

- I participated in developing a good working ordinance in the City of West Hollywood
- Member of the City of Los Angeles working group to establish a medical cannabis collective ordinance (before the working group was terminated 2+ ½ years ago by the City Attorney)
- Presently am actively involved in revising the medical cannabis ordinance in Santa Barbara
- I and my staff are well-versed in the Compassionate Use Act (Proposition 215) and SB 420.

As a Registered Clinical Pharmacist, and 25 years education/experience in natural plant-based medicines, I believe in an integrative holistic approach to medicine. I wish for people to be able to come into a Pharmacy-like setting to talk to professional people and to receive the care and recommendations for herbal medicine, like medical cannabis.

My passion comes from daily interaction with patients who are sick and fearful, and the truly amazing benefits they receive from medical cannabis. Being a scientist, I am up-to-date with the latest research and track/record anecdotal reports from my patients.

If you refer to the materials provided to you at the City Council Hearing of last week, you will see that our collectives are the models of care and compassion. They are accepted and praised by City officials, law enforcement, neighbors, adjacent commercial establishments, and most importantly, patients who desire a caring and compassionate place to procure their medicine. They do not just come in for medical cannabis, but benefit from the collective benefits of our other holistic medicines and services.

- Our medicine is 100% organic
- Our cannabis dried flowers for inhalation and our edible forms are assayed for active cannabinoids and their potency, using a GCMS (Gas chromatograph and mass spectrometer). When needed we also test for Aspergillus mold and pesticides.
- We have quality standardized and consistent alternative dosage forms, which are so important for people who do not wish to inhale.

We conduct case studies and research with local physicians and physician groups, institutions, and special needs medical groups (i.e., Hospice, AIDS projects, Alzheimer's organizations).

We have monthly coordination meetings with City Compliance staff which are organized by the City's Public Safety Division, Neighborhood group representatives, and representatives of the local police department to handle any concerns or problems or recommendations.

Our biggest asset is the extent of our compassionate care programs. In addition to discounts and lowest prices possible for our collective members, we also offer additional discounts and free medicine and services to our special needs collective members in the City of Palm Springs SPECIFICALLY:

1. State, Federal, and Military Disability Patients
 - A. 25% discount two times per month
2. Being Alive Compassionate Care and Access Program
 - A. Terminal patients that have 6 months or less to live:
 1. Free services – Help with Dr's recommendation and transportation to Dr's office. Referral and medical counseling.
 2. Free medicine – Medical cannabis provided free to these patients (within the legal dispensing guidelines and terms of recommendation).
3. Provide medication free-of-charge on individual patient basis
 - A. Non-ambulatory patients with serious illnesses
 - B. Seriously ill patients who cannot afford medical cannabis

4. **Compassionate Care Jar**
 - A. **Money donations by members and staff**
 1. **Patients with small amount of money—we match their contribution amount so that they can purchase their needed cannabis**
 2. **Nobody in need is turned away --- will give free medicine at the time of their visit until they are able to purchase it.**
5. **Discounts**
 - A. **Seriously ill patients who cannot afford medical cannabis**
 - B. **Environmental consciousness (patients who come to the pharmacy via non-polluting means (i.e., bicycle or skateboard).**
 - C. **Patients/members who cannot afford their medication**
6. **Senior Citizen discounts (65 years of age or over)**
7. **Offer high-quality low-cost medical cannabis to low-income patients**
8. **We hire patient/members with low/no income.**

The beauty of The Farmacy is that the elderly and mainstream residents who would not normally seek possible help from cannabis, feel comfortable coming into our facility and do not feel like a "criminal". Our health professionals provide follow-up and referrals to other natural forms of health, including nutritional counseling, herbal consultations, acupuncture, and consultation regarding their prescription and OTC drug regimens, biofeedback programs, cognitive therapy, and other modalities being offered in the community. Our members must be 21 years of age. The average age of our collective member/patients is 40 years of age, and our oldest member just turned 104!

I intend to do the same for the residents of Palm Springs. The Farmacy is a "fresh face" to the stereotypical cannabis "dispensary" model. It will provide safe access to the residents of Palm Springs and a model that the City can be proud of.

City Officials to contact:

Bill Rosendahl (213) 485-3811
Los Angeles City Councilmember

John Duran (310) 659-3551
West Hollywood City Councilmember

II. PROCEDURES AND PRACTICES FOR HANDLING TRANSACTION PAYMENTS

A. We have Point of Sale software, including monitors and cash drawers to input, compute, and record transactions. Since the City of Palm Springs does not allow cash transactions, we will apply for a merchant services contract to take credit cards and debit cards, and will accept written checks as well. This will eliminate accumulation of cash, the need to deposit daily to our bank accounts, and decrease the potential of robbery or burglary.

All transactions are recorded and reports printed at the end of each day. These transaction reports will be reconciled with our bank deposits by our bookkeeper; and quarterly audit by our accountant.

We have an electronic inventory system to account for all cannabis and cannabis products grown and provided to our patient/members. All cannabis grown onsite will be weighed and accounted for. It will be packaged in vacuum jars, labeled, and stored in secure accommodations (locked safes); accessible only to our grow Manager, store-front manager, and Inventory Manager.

We employ security personnel, registered by the State of California, to monitor cultivation area, procurement area and reception area; as well as routinely walk surrounding outside neighborhood area.

Our cultivation and sales area will be monitored by security cameras.

B. We estimate approximately 100 transactions per day; lower to start and increasing to 100 transactions per day within one year. It is my experience that peak times are between 4pm and 7pm; as people are off of work. Our elderly patients seem to frequent in the late afternoons. Our busiest days are Thursday through Saturday.

III. PRICING

Pricing of our products depend upon a lot of factors:

- 1) Costs to cultivate the medicine
 - 2) Costs to extract and produce alternative dosage forms
 - 3) Overhead; including rent, utilities and other fixed costs
 - 4) Salaries of collective members (growers, health representatives, consultants, managers)
 - 5) We usually need to borrow the start-up costs for each grow cycle and for facility build-out
- Our average cost of goods is 55%

IV. ESTIMATED NUMBER OF PATIENTS

Based upon the demographics of Palm Springs and neighboring cities, we predict approximately 30-50 patient/members per day, increasing to 100 by end of first year. Depending upon the political and legislative climate and if the allowed number of collectives remains at two, we predict a 50% growth rate for the coming years, up to a maximum of 200 to 300 patients per day. I estimate 25% Palm Springs residents, 30% Coachella Valley, and 45% Riverside County (if dispensaries are not allowed in surrounding County).

V. SOURCE OF MEDICAL CANNABIS FOR OUR COLLECTIVE

We were fortunate to secure a lease with BRATSS, Partnership, for a building comprising 13,225 square feet and ample parking spaces. This will allow us to grow 100% of the needed cannabis for our patient members onsite at start-up and fulfill that need as the membership grows. One third of the building will be our service/storefront area and the remaining two-

thirds will be for office space, storage and cultivation space. This is the "closed circuit" that the Compassionate Use Act and our Attorney General recommends, which will allow us utmost quality control and decrease danger of transportation from offsite growing. Our members may participate in the cultivation and be involved with quality control of the alternative dosage forms that we produce. We will have security inside and out to provide a safe environment for our patient/members and surrounding businesses.

VI. COLLECTIVE ORGANIZATIONAL STRUCTURE

Please see attached information regarding our Collective structure with By-laws changes.



State of California Secretary of State

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

JUN 29 2009

Debra Bowen

DEBRA BOWEN
Secretary of State

ENDORSED - FILED
in the Office of the Secretary of State
of the State of California

ARTICLES OF INCORPORATION

OF

JUN 25 2009

FARMACY COLLECTIVE OF PALM SPRINGS

A California Nonprofit Mutual Benefit Corporation

I

The name of this corporation is **Farmacy Collective of Palm Springs**.

II

A. This Corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law.

III

The name and address in the State of California for the Corporation's initial agent for service of process is:

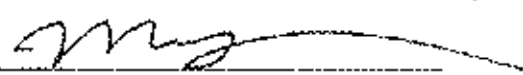
S. Timothy Buynak, Esq.
Buynak Law Firm
820 State Street, 4th Floor
Santa Barbara, CA 93101

IV

Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this corporation.

IN WITNESS WHEREOF, the undersigned, being the persons named as the incorporators of this corporation, have executed these Articles of Incorporation on June 24, 2009 and hereby declares that this instrument is the act and deed of the undersigned.




Joy E. Margolis, Incorporator

**BYLAWS
OF
FARMACY COLLECTIVE OF PALM SPRINGS**

S. Timothy Buynak
Joy E. Margolis
BUYNAK LAW FIRM
820 State Street, 4th Floor
Santa Barbara, CA 93101
T. (805) 966.7000
F. (805) 966.7227

**BYLAWS
OF
FARMACY COLLECTIVE OF PALM SPRENGS**

A California Non-profit Mutual Benefit Corporation

*(Organized under the Nonprofit Corporation Law as embodied in the California
Corporations Code, commencing at Section 7110.)*

**ARTICLE I
NAME**

The name of this Corporation is Farmacy Collective of Palm Springs.

**ARTICLE II
OFFICES**

Section 2.1 Principal Office. The Board of Directors shall fix the location of the principal office of the Corporation within the County of Riverside, State of California.

The Board of Directors may change the principal office from one location to another in the State of California, in its discretion. Any such change of location shall be noted by the Board of Directors in its minutes; but so long as said change is within the State of California, it shall not be considered an amendment of these Bylaws.

Section 2.2 Other Offices. The Board may, at any time, establish branch or subordinate offices at any place or places where the Corporation is qualified to do business.

**ARTICLE III
PURPOSES AND LIMITATIONS**

Section 3.1 General Purposes. This Corporation is a nonprofit mutual benefit corporation and is not organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this Corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law.

Section 3.2 Specific Purposes. Within the context of the General Purposes stated above, the specific purposes of this Corporation shall be:

(1) To facilitate the not-for-profit efforts of qualified patients and their caregivers by providing and operating a location for collective medical cannabis cultivation and distribution in strict compliance with the Compassionate Use Act.

(2) To ensure security, non-diversion of medical cannabis to illicit markets, and compliance with all state and local laws.

(3) To acquire, possess, and distribute only lawfully cultivated medical cannabis within the collective.

(4) To undertake all other activities and programs supportive of the Corporation's goals.

ARTICLE IV MEMBERS

Section 4.1 Membership. This Corporation shall have one class of members. Any person dedicated to the purposes of the corporation and who is a qualified patient and/or caregivers in strict compliance with the Compassionate Use Act shall be eligible for membership on approval of their membership application.

Section 4.2 Rights of Membership. Members shall have the right to vote as set forth in these Bylaws, on the election of directors, on the disposition of all or substantially all of the assets of the Corporation, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the Corporation. In addition, those members shall have all the rights afforded members under the California Nonprofit Mutual Benefit Corporation Law. Each member shall have one vote.

Section 4.3 Termination of Membership. No membership or right arising from membership shall be transferred. A membership shall terminate on the occurrence of any of the following events:

- (1) Resignation of the members;
- (2) Expiration of the period of membership, unless membership is renewed on the renewal terms fixed by the Board of Directors;
- (3) Any event that renders the member ineligible for membership, or failure to satisfy membership qualifications; or
- (4) Termination of membership based on the good faith determination by the Board of Directors, or a committee or person authorized by the Board of Directors to make such determination, that the member has failed in a serious and material degree to observe the rules of conduct materially and seriously prejudicial to the Corporation's purposes and interests.

Section 4.4 Annual Meetings of Members. An annual meeting of members shall be held on the third Monday in December each year at 10 a.m., at a place as designated by the Board, unless the Board fixes another date or time and so notifies

members. If the scheduled date falls on a legal holiday, the meeting shall be held on the next full business day. At the meeting, directors shall be elected and other proper business may be transacted.

Section 4.5 Special Meetings of Members. A special meeting of the members may be called for any lawful purpose by a majority vote of the Board or by the President or by five percent (5%) or more of the members. A special meeting called by any person(s) (other than the Board) entitled to call a meeting shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the Chairman of the Board, if any, or the President, any Vice President or the Secretary of the Corporation. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, in accordance with these Bylaws, stating that a meeting will be held at a special time and date fixed by the Board, provided, however, that the meeting date shall be least thirty-five (35) but no more than ninety (90) days after receipt of the request. If the notice is not given within twenty (20) days after the request is received, the person or persons requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the Board. No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

Section 4.6 Notice Requirements for Members' Meetings.

(1) **General Notice Requirements.** Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given, in accordance with these Bylaws, to each member entitled to vote at the meeting. The notice shall specify the place, date and hour of the meeting and, (i) for a special meeting, the general nature of the business to be transacted, and that no other business may be transacted, or (ii) for the annual meeting, those matters that the Board, at the time notice is given, intends to present for action by the members, but any proper matter may be presented at the meeting. The notice of any meeting at which Directors are to be elected or written ballots distributed for the election of Directors shall include the names of all persons who are nominees when the notice or the ballot is given.

(2) **Notice of Certain Agenda Items.** Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:

- a. Removing a Director without cause;
- b. Filling vacancies on the Board;
- c. Amending the Articles of Incorporation; or
- d. Electing to wind up and dissolve the Corporation.

(3) Manner of Giving Notice. Notice of any meeting of members shall be in writing and shall be given at least ten (10) days but no more than ninety (90) days before the meeting date. The notice shall be given either personally or by first-class, registered or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to each member entitled to vote at the address given by the member to the Corporation for purposes of notice. If no address appears on the books of the Corporation and no address has been so given, notice shall be deemed to have been given if either (i) notice is sent to that member by first-class mail, telegraphic or other written communication delivered to the principal office of the Corporation or (ii) notice is published at least once in a newspaper of general circulation in the county in which the principal office of the Corporation is located.

(4) Affidavit of Mailing Notice. An affidavit of the mailing of any notice of any members' meeting, or of the giving of such notice by other means, may be executed by the Secretary, assistant Secretary or any transfer agent of the Corporation, and if so executed, shall be filed and maintained in the minute book of the Corporation.

Section 4.5 Quorum. Five percent (5%) of the voting power shall constitute a quorum for the transaction of business at any meeting of the members. If however, the attendance at any meeting, is less than one-third (33%) of the voting power, the members may vote only on matters as to which notice of their general nature was given. Except as otherwise required by law, the articles, or these Bylaws, the members present at a duly called or held meeting at which quorum is present may continue to transact business until adjournment, even if enough members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

Section 4.6 Manner of Voting. Voting may be by voice or by ballot, except that any election of directors must be by ballot if demanded before the voting begins by any member at the meeting.

Section 4.7 Majority Approval. If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, entitles to vote, and voting on any matter, shall be deemed the act of the members, unless the vote of a greater number, is required by California law or by the articles/.

ARTICLE V DIRECTORS

Section 5.1 Powers.

a. General Corporate Powers. Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and any limitations of the Articles of Incorporation and of these Bylaws,

the activities and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors.

b. **Specific Powers.** Without prejudice to these general powers, but subject to the same limitations, the Directors shall have the power to:

- (1) Act as keeper of the Corporation's vision and values; Formulate the strategic direction of the Corporation; have operational oversight over the Corporation's business and affairs; supervise the annual Corporation audit and related activities; and supervise annual Corporation governance succession and related activities;
- (2) Supervise the Corporation's committees; and assign tasks and projects to the Corporation's committees;
- (3) Manage key Corporation alliances/partnerships;
- (4) Plan and approve all corporate leadership positions; appoint and remove, at their sole discretion, all officers, agents and employees of the Corporation; prescribe powers and duties for them that are consistent with law, with the Articles of Incorporation and with these Bylaws; and fix their compensation and require from them security for faithful performance of their duties;
- (5) Change the principal office or the principal business office in the State of California from one location to another; cause the Corporation to be qualified to conduct its activities in any other state, territory, dependency or country and conduct its activities within or outside the State of California; and designate any place within or outside the State of California for the holding of any meeting, including annual meetings;
- (6) Adopt, make and use a corporate seal; prescribe the forms of membership certificates, if any; and alter the form of the seal and certificate;
- (7) Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the purposes of the Corporation, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities;

- (8) Invest, or cause to be invested, assets of the Corporation in accounts, properties and other capital assets;
- (9) To receive funds and to organize plans and programs in conjunction therewith;
- (10) Work with, and/or through other entities, whether or not they are tax exempt, to accomplish the purposes and goals of the Corporation, provided that the nonprofit status of this Corporation is not jeopardized thereby; and
- (11) Employ persons or entities for such services as may be required on behalf of the Corporation.

Section 5.2 Authorized Number and Qualifications of Directors.

a. **Authorized Number.** The Board of Directors shall consist of at least one (1) Directors and no more than seven (7) Directors until changed by amendment to these Bylaws. The exact number of Directors shall be fixed, within those limits, by a resolution adopted by the Board of Directors. Collectively, the Directors shall be known as the Board of Directors.

b. **Selection.** The Board of Directors shall be selected as follows:

(1) **Initial Directors.** The initial Director(s) shall be appointed by the incorporator named in the Corporation's Articles of Incorporation.

(2) **Subsequent Directors.** At the expiration or earlier termination of the terms of office of the initial Director(s), their successors shall be chosen by the members.

(3) **Qualifications of Directors.** Board members must demonstrate a sustained interest in actively promoting the purposes of the Corporation.

Section 5.3 Election and Term of Office of Directors. Directors shall be elected at each annual meeting of the members, but if such annual meeting is not held or if Directors are not elected therein, the Directors may be elected at any special meeting of held for that purpose. Directors shall be eligible for reelection with no limitation on the number of terms they may serve. Each Director, including a Director elected to fill a vacancy or elected at a special meeting, shall hold office until expiration of the term for which elected and until a successor has been elected.

Section 5.4 Vacancies. Vacancies on the Board of Directors shall be filled by a majority of the vote of the remaining Directors then in office, or if the number of Directors then in office is less than a quorum, by (1) the unanimous written consent of the Directors then in office, (2) the affirmative vote of a majority of the Directors then in

office at a meeting held according to notice or waivers of notice complying with Corporations Code § 7211, or (3) a sole remaining Director..

A vacancy or vacancies on the Board of Directors shall be deemed to exist on the occurrence of any of the following:

- a. The death, resignation or removal of any Director;
- b. The declaration by resolution of the Board of Directors of a vacancy of an office of a Director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a legally imposed duty arising under Corporations Code § 7238;
- d. An increase in the authorized number of Directors; or
- e. The failure of the Directors, at any meeting of the Directors, at which any Director is to be elected, to elect the number of Directors to be elected at such meeting.

No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of that Director's term of office.

Section 5.5 Resignation. A Director may resign, which resignation shall be effective on giving written notice to the president or secretary of the Corporation or to the Board of Directors generally, unless the notice specifies a later time for the resignation to become effective. If the resignation of a Director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

Section 5.6 Removal. A Director may be removed from office without cause by vote of a majority of members. Any vacancy caused by the removal of a Director shall be filled as provided in Section 5.4.

Any Director who does not attend three successive Board meetings will automatically be removed from the Board without Board resolution unless (1) the Director requests a leave of absence for a limited period of time, the leave is approved by the Directors at a regular or special meeting (if such leave is granted, the number of Board members will be reduced by one in determining whether a quorum is or is not present); (2) the Director suffers from an illness or disability that prevents him or her from attending meetings and the Board, by resolution, waives the automatic removal procedure of this subsection; or (3) the Board, by resolution of the majority of the Board members then in office, must agree before a Director who has missed three meetings may be reinstated.

Section 5.7 Place of Meeting; Meetings by Telephone. Regular meetings of the Board of Directors may be held at any place within or outside the State of California that has been designated from time to time upon resolution of the Board of Directors. In

the absence of such designation, regular meetings shall be held at the principal office of the Corporation. Special meetings of the Board of Directors shall be held at any place within or outside the State of California as has been designated in the notice of the meeting or if not stated in the notice, or if there is no notice, at the principal office of the Corporation. Notwithstanding the above provisions of this Section 5.7, a regular or special meeting of the Board of Directors may be held at any place consented to in writing by all of the Directors, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by telephone conference or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at such meetings.

Section 5.8 Annual Meeting. The annual meeting of the Directors shall be held on the third Monday in December each year at 2:00 p.m., or such other date as the Board may designate, for the purposes of organization, election of officers, and the transaction of other business. Notice of this meeting shall not be required.

Section 5.9 Other Regular Meetings. Other regular meetings of the Board of Directors shall be held without call at such time as shall from time to time be fixed by the Board of Directors. Such regular meetings, once designated by the Board of Directors may be held without notice.

Section 5.10 Special Meetings.

a. **Authority to Call.** Special meetings of the Board of Directors for any purpose may be called by the President or by the written request of any three Directors.

b. **Notice.**

(1) **Manner of Giving.** Notice of the time and place of special meetings shall be given to each Director by one of the following methods:

- (a) By personal delivery of written notice;
- (b) By first-class mail, postage prepaid;
- (c) By telephone communication, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director; or
- (d) By telegraph, facsimile, electronic mail or other electronic means.

All such notices shall be given or sent to the Director's address or telephone number as shown on the records of the Corporation.

(2) **Time Requirements.** Notices sent by first class mail shall be deposited into the United States mail at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, telegraph or other electronic means shall be delivered, telephoned or otherwise given at least forty-eight (48) hours before the time set for the meeting.

(3) **Notice Contents.** The notice shall state the time and place for the meeting and the purpose of the meeting. No other business shall be conducted at the special meeting other than as stated in said notice.

Section 5.11 Quorum. A majority of the authorized number of Directors then in office shall constitute a quorum for the transaction of business for any meeting except adjournment. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present, shall be regarded as the act of the Board of Directors, subject to the more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, especially those provisions relating to:

a. Approval of contracts or transactions between this Corporation and one or more Directors or between this Corporation and an entity in which a Director has a material financial interest, (2) creation of and appointments to committees of the Board, and (3) indemnification of Directors.

A meeting at which a quorum is initially present may continue to transact business, notwithstanding withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 5.12 Waiver of Notice. The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as though it had been taken at a meeting duly held after regular call and notice, if:

a. A quorum is present; and

b. Either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed to be given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 5.13 Adjournment. A majority of the Directors present at the meeting, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 5.14 Notice of Adjournment. Notice of the time and place of holding an adjourned meeting need not be given unless the meeting is adjourned for more than twenty-four (24) hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to Directors who were not present at the time of adjournment.

Section 5.15 Action Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Said action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 5.16 Compensation of Directors. Directors and members of committees of the Board of Directors may receive such compensation, if any, for their services as Directors or officers, and such reimbursement of expenses, as the Board may establish by resolution to be just and reasonable as to the Corporation at the time that the resolution is adopted.

ARTICLE VI COMMITTEES

Section 6.1 Executive Committee. There shall be an Executive Committee composed of those Directors who are also the Corporation's officers. No persons who are not Directors may serve on the Executive Committee. The Executive Committee shall have the authority of the Board of Directors, except that the Committee, regardless of any resolution of the Board of Directors, may not:

- a. Take any final action on any matter that, under the California Nonprofit Mutual Benefit Corporation Law, also requires approval of all or a majority of the Directors;
- b. Fill vacancies on the Board of Directors or on any committee that has the authority of the Board of Directors;
- c. Establish or fix compensation of the Directors for serving on the Board of Directors or on any committee;
- d. Amend or repeal these Bylaws or adopt new bylaws;
- e. Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable;
- f. Create any other committees of the Board of Directors or appoint the members of committees of the Board of Directors;

g. With respect to any assets held in charitable trust, approve any contract or transaction between this Corporation and one or more of its Directors or between this Corporation and an entity in which one or more of its Directors have a material financial interest, subject to the approval provisions of Corporations Code § 5233(d)(3).

Section 6.2 Meetings and Actions of Executive Committee. Meetings and actions of the Executive Committee shall be governed by, held and taken in accordance with the provisions of these Bylaws concerning meetings and other actions of the Board of Directors, except that the time for regular meetings of the Executive Committee and the calling of special meetings of the Executive Committee may be determined either by a resolution of the Board of Directors or, if there is none, by resolution of the Executive Committee. Minutes of each meeting of the Executive Committee shall be kept and filed with the Corporation's records. The Board of Directors may adopt rules for the government of the Executive Committee, provided they are consistent with these Bylaws or, in the absence of rules adopted by the Board of Directors, the Executive Committee may adopt such rules.

Section 6.3 Other Boards and Committees. The Board of Directors shall have the power to establish such other boards, honorary or otherwise, and committees as it deems necessary and in the best interests of the Corporation. The Board of Directors may adopt rules for the government of any such committee not inconsistent with the provisions of these Bylaws.

ARTICLE VII OFFICERS

Section 7.1 Officers. The officers of the Corporation shall include a President, Secretary and a Chief Financial Officer. The Corporation may also have, at the Board of Director's discretion, a Chairman of the Board, one or more assistant Secretaries, one or more assistant Treasurers, and such other officers as may be appointed in accordance with the provisions of Section 7.3 of these Bylaws. Any number of offices may be held by the same person.

Section 7.2 Election of Officers. The officers of the Corporation, except those appointed in accordance with the provisions of Section 7.3, shall be chosen annually by the Board of Directors, and shall serve at the pleasure of the Board, subject to the rights of any officer under any employment contract.

Section 7.3 Other Officers. The Board of Directors may appoint or authorize the Chairman of the Board or the President or another officer to appoint any other officers that the Corporation may require, each of whom shall have the title, hold the office for the period, have the authority and perform the duties specified in the Bylaws or determined from time to time by the Board of Directors.

Section 7.4 Removal of Officers. Without prejudice to the rights of any officer under an employment contract, any officer may be removed, with or without cause, by the Board of Directors, at any regular or special meeting of the Board of Directors, or, except in the case of an officer chosen by the Board of Directors, by an officer to whom such power of removal may be conferred by the Board of Directors.

Section 7.5 Resignation of Officers. Any officer may resign at any time upon written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the officer is a party.

Section 7.6 Vacancies in Office. A vacancy occurring in any office because of death, resignation, removal, disqualification or any other cause shall be filled only in the manner prescribed in these Bylaws for regular appointments to that office.

Section 7.7 Responsibilities of Officers.

a. **President.** The President shall be responsible for the management of the day-to-day affairs of the Corporation. The President shall report directly to the Board of Directors and shall have the authority as may be determined from time to time by the Board, including the hiring and oversight of additional staff members. The President is the highest level employee of the Corporation and shall serve as its chief of staff.

b. **Secretary.** The Secretary shall attend to the following:

(1) **Book of Minutes.** The Secretary shall keep, or cause to be kept, at the principal office or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of the Board of Directors and of its committees. The Secretary shall also keep, or cause to be kept, at the principal office in the State of California, a copy of the Articles of Incorporation and Bylaws, as amended to date. If the Corporation has members, the Secretary shall also maintain a complete and accurate record of the membership of the Corporation, as well as a record of the proceedings of all meetings of the members.

(2) **Notices, Seal and Other Duties.** The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors and its committees as required by these Bylaws to be given. The Secretary shall keep the seal of the Corporation in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

c. **Treasurer.** The Treasurer shall be the Chief Financial Officer of the Corporation and shall have charge and custody of all funds and securities of the

Corporation, and all funds and securities in any way generated, collected, or obtained in connection with its activities. The Treasurer shall attend to the following:

(1) **Books of Account.** The Chief Financial Officer of the Corporation shall keep or maintain, or cause to be kept or maintained, adequate and correct books and accounts of the Corporation's properties and transactions of the Corporation, including accounts of assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other matters customarily included in financial statements. The Chief Financial Officer shall send, or cause to be sent, to the Directors such financial statements and reports as are required by law or these Bylaws to be given. The books of account shall be open to inspection by any Director at all reasonable times.

(2) **Deposit and Disbursement of Money and Valuables.** The Chief Financial Officer shall deposit all money and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors, shall disburse the funds of the Corporation as may be ordered by the Board of Directors, shall render to the President or Chairman of the Board, if any, when requested, an account of all transactions as Chief Financial Officer and of the financial condition of the Corporation and shall have other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

(3) **Bond.** If required by the Board of Directors, the Chief Financial Officer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board of Directors for faithful performance of the duties of the office and for restoration to the Corporation of all its books, papers, vouchers, money and other property of every kind in the possession or under the control of the Chief Financial Officer upon death, resignation, retirement or removal from office.

ARTICLE VIII CONTRACTS WITH DIRECTORS

Section 8.1 Contracts with Directors. No Director of this Corporation, nor any other corporation, firm, association, or other entity in which one or more of this Corporation's Directors are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or other transaction with this Corporation unless (1) the material facts as to the transaction and such Director's interest are fully disclosed or known to the remaining Directors and such contract or transaction is approved by the Directors in good faith, with any interested Director not being entitled to vote thereon, or (2) the material facts regarding such Directors financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and are noted in the minutes or are known to all Board members before consideration by the Board of such contract or transaction, and such contract or transaction is authorized in good faith by a majority of the Board then in

office by a vote sufficient for that purpose without counting the vote of the interested Director.

**ARTICLE IX
INDEMNIFICATION OF DIRECTORS,
OFFICERS, EMPLOYEES AND OTHER AGENTS**

Section 9.1 Indemnification. To the fullest extent permitted by law, this Corporation shall indemnify its Directors and officers, and may indemnify employees and other persons described in Corporations Code §7237(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. "Expenses", as used in this bylaw, shall have the same meaning as in that section of the Corporations Code.

On written request to the Board by any person seeking indemnification under Corporations Code §7237(b) or §7237(c), the Board shall promptly decide under Corporations Code §7237(e) whether the applicable standard of conduct set forth in Corporations Code §7237(b) or §7237(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification, because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the remaining members of the Board shall determine under Corporations Code §7237(e) whether the applicable standard of conduct has been met and, if so, the non-involved Board members present at the meeting in person or by proxy shall authorize indemnification.

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Article IX of these bylaws in defending any proceeding covered by this Article shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the Corporation for those expenses.

**ARTICLE X
CORPORATE RECORDS, REPORTS AND SEAL**

Section 10.1 Maintenance and Inspection of Articles and Bylaws. The Corporation shall keep at its principal business office, the corporate seal and the original or a copy of the Articles and Bylaws as amended to date, which shall be open to inspection by officers and Directors at all reasonable times during office hours.

Section 10.2 Maintenance and Inspection of Other Corporate Records. The accounting books and records and minutes of proceedings of the Board of Directors and its committees shall be open to inspection upon written demand on the Corporation at any reasonable time, for a purpose reasonably related to such person's interests as a Director.

Section 10.3 Annual Report. The Board of Directors shall cause an annual report to be sent to Directors within one hundred twenty (120) days after the end of the Corporation's fiscal year. The report shall contain the following information, in appropriate detail:

- a. The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;
- b. The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- c. The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
- d. The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year; and,
- e. Any information required by Section 10.4 of these Bylaws.

The annual report shall be accompanied by any report on it of independent accountants or, if there is no such report, by the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the Corporation's books and records.

This requirement of an annual report shall not apply if the Corporation receives less than Ten Thousand Dollars (\$10,000) in gross revenue receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all Directors who request it in writing.

Section 10.4 Annual Statement of Certain Transactions and Indemnifications. As part of the annual report, or as a separate document if no annual report is issued, the Corporation shall annually prepare and mail or deliver to each Director a statement of any transaction or indemnification of the following kind within one hundred twenty (120) days after the end of the Corporation's fiscal year:

- a. Unless approved under Corporations Code §7233(a), any transaction (i) to which the Corporation, its parent or its subsidiary was a party, (ii) which involved more than Fifty Thousand Dollars (\$50,000), or was one of a number of transactions with the same interested person involving, in the aggregate, more than Fifty Thousand Dollars (\$50,000), and (iii) in which either of the following "interested

persons" had a direct or indirect material financial interest (a mere common directorship is not a material financial interest):

(1) Any Director or officer of the Corporation, its parent or subsidiary;

(2) Any holder or more than ten percent (10%) of the voting power of the Corporation, its parent or its subsidiary.

The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

b. A brief description of any indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the fiscal year to any officer or Director of the Corporation under these Bylaws.

ARTICLE XI CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

ARTICLE XII AMENDMENTS

These Bylaws may be altered, amended or repealed, and new Bylaws may be adopted, by a two-thirds majority vote of the Directors present at any duly noticed regular meeting or special meeting or by unanimous written consent of all Directors then in office, except as otherwise provided herein.

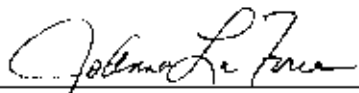
CERTIFICATE OF SECRETARY

I, the undersigned, hereby certify:

1. That I am the duly elected and acting Secretary of Pharmacy Collective of Palm Springs, a Nonprofit Mutual Benefit Corporation.

2. That the foregoing Bylaws, consisting of Twelve (12) articles and Seventeen (17) pages, including this certification page, constitute the Bylaws of this Corporation as duly adopted by the Consent Action of Incorporator of the Corporation dated December 6, 2009.

IN WITNESS WHEREOF, I have subscribed my name and affixed the seal of the Corporation this 6th day of December, 2009.



JoAnna LaForce, Secretary