

MARSHALL CITY PLANNING COMMISSION
Wednesday, August 11, 2021 at 7:00 p.m.
Electronic Meeting Format

ZOOM LINK:

<https://us02web.zoom.us/j/84210442485?pwd=NlpOL3FWYThoZ2hUTkZNd2Z3T3Y2UT09>

You may participate in the virtual meeting by using the link listed above or join by phone at 1-312-626-6799 Meeting ID: 842 1044 2485

Call to Order

Roll Call

Approval of Agenda

Regular Meeting of the Planning Commission, August 11, 2021

Approval of Minutes

Minutes from the Regular Session held on Wednesday, June 9, 2021
Minutes from the Special Session held on Friday, July 16, 2021

Public Comments on Agenda Items

Public Hearings

New Business

1. Receive Special Land Use Request #SLU21.02 for 205 W. Oliver Drive from Gen Two Solutions, LLC
2. Set Public Hearing for September 8, 2021 for Special Land Use Request #SLU21.02 for 205 W. Oliver Drive from Gen Two Solutions, LLC

Old Business

Public Comment on Non-Agenda Items

Reports

Adjournment

**MINUTES
MARSHALL CITY PLANNING COMMISSION
THURSDAY, JUNE 9, 2021**

In a regular session, Wednesday June 9, 2021 at 7:12 p.m. at City Hall, Training Room, 323 West Michigan Avenue, Marshall, Michigan, the Marshall Planning Commission was called to order by Chair Banfield.

ROLL CALL

Members Present: Chair Banfield, Commissioners Burke Smith, McNiff, Reed, and C. Zuzga and Council Liaison Wolfersberger

Members Absent: Commissioner Davis, Hall, and Zuck

Staff Present: Trisha Nelson, City Clerk & Planner

AGENDA

MOTION by McNiff, supported by Reed, to accept the agenda for the Wednesday, June 8, 2021 as submitted. On voice vote; **MOTION CARRIED.**

MINUTES

MOTION by McNiff, supported by Burke Smith to accept the minutes from the April 14, 2021 regular meeting. On voice vote; **MOTION CARRIED.**

PUBLIC COMMENTS ON AGENDA ITEMS

None

PUBLIC HEARINGS

None

NEW BUSINESS

MOTION by McNiff, supported by Zuzga to schedule a public hearing for July 14, 2021 for a Zoning Ordinance Amendment to change Marihuana Facilities from a Principal Permitted Use to a Special Land Use.

Nelson stated that Exhibit A shows what staff will be proposing to take to City Council and that the reasoning behind the zoning change is to make it easier to enforce issues with owners, such as odor, and will only apply to new facilities. McNiff questioned if the City was out of licenses. Nelson states that this would change the ordinance to allow for grows to be closer in certain conditions. Banfield stated that the intent of the original ordinance was to allow 5 facilities, so this would change that. Banfield questioned how many potential facilities are there and how many would there be

total if they all became facilities. Nelson stated that there are very few and that the City GIS expert has created a map based on the qualifications that show what could be done. Banfield stated that on page 4 another problem that may arise is that it changes the ordinance to say no unreasonable odor opposed to no odor. Nelson stated that it is going by legislation at the state level and was recommended by City Attorney Revore. Wolfersberger stated that according to Revore the current ordinance of no odor was not enforceable, but unreasonable odor is. Nelson stated that she believes there will be issues with the Mulberry site. McNiff stated that no odor is enforceable and that there was a city in Michigan that won in the court of appeals. Zuzga stated that the problem with saying unreasonable odor is that depending on the time the conditions and odor may change.

MOTION by McNiff, supported by Zuzga to schedule a public hearing for July 14, 2021 for a Zoning Ordinance Amendment to change Marihuana Facilities from a Principal Permitted Use to a Special Land Use. On voice vote; **MOTION CARRIED.**

OLD BUSINESS

None

PUBLIC COMMENTS NOT ON AGENDA

None

REPORTS

Nelson stated that Love's Truck Stop will be coming in with another site plan amendment at the next meeting as well as potentially receiving a Special Land Use application. She further stated that MPM will not be moving forward with their hoop house project at this time.

Wolfersberger stated that there are negotiations between the land bank and a developer for the old State Farm site.

Banfield questioned who the code compliance officer was. Nelson stated that there currently is not just one, that each director has been assigned a portion of the city to look for issues and letters will be sent. Burke Smith stated that there is an issue with an RV parked in the rear yard near her home and that there is also several commercial trailers across the street and they appear to be running a business out of their home. Banfield stated that it had been going on for over a year at this point. Banfield further stated that the city is looking great with trees coming in and coming in to town looks fantastic. He stated that Phil Smith has a great personality.

ADJOURN

Planning Commission adjourned at 7:45 p.m.

Submitted by,

Michelle Eubank

**MINUTES
MARSHALL CITY PLANNING COMMISSION
FRIDAY, JULY 16, 2021**

In a special session, Friday, July 16, 2021 at 2:30 p.m. via Zoom the Marshall Planning Commission was called to order by Chair Banfield.

ROLL CALL

Members Present: Chair Banfield (Lansing), Commissioners Davis (Marshall), Hall (arrived 2:35 p.m.-Marshall), Reed (Marshall), Zuck (Marshall) and C. Zuzga (Lansing)

Members Absent: Commissioner Burke Smith, McNiff and Council Liaison Wolfersberger

Staff Present: Trisha Nelson, City Clerk & Planner
Eric Zuzga, Director of Special Projects

AGENDA

MOTION by McNiff, supported by C. Zuzga, to accept the special meeting agenda for Friday, July 16, 2021 as submitted. On a roll call vote; ayes- Banfield, Davis, Reed, Zuck, C Zuzga; nays- none; **MOTION CARRIED.**

PUBLIC COMMENTS ON AGENDA ITEMS

None

PUBLIC HEARINGS

None

NEW BUSINESS

MOTION by C Zuzga, supported by Davis to schedule a public hearing for Monday, August 2, 2021 to consider the Zoning Ordinance Amendment to change Marihuana Facilities from a principal permitted use to a special land use. On a roll call vote; ayes- Banfield, Davis, Reed, Zuck, C Zuzga; nays- none; **MOTION CARRIED.**

MOTION by Davis, supported by Reed to approve Site Plan amendment #SPA05-02 for 18720 Partello Road, Love's Travel Stop.

Banfield stated that this was submitted to add additional mechanical bays to the tire barn that currently sits on the property and that staff has reviewed and approved the amendment.

On a roll call vote; ayes- Banfield, Davis, Hall, Reed, Zuck, C Zuzga; nays- none; **MOTION CARRIED.**

OLD BUSINESS

None

PUBLIC COMMENTS NOT ON AGENDA

None

REPORTS

ADJOURN

Planning Commission adjourned at 2:36 p.m.

Submitted by,

Michelle Eubank

MARSHALL PLANNING COMMISSION

Staff report for August 11, 2021

To: Planning Commissioners
From: Trisha Nelson, Planning and Zoning Administrator
Subject: Special Land Use Application #SLU21.02- Gen Two Solutions, LLC,
205 W. Oliver Drive, Marshal, Parcel #53-003-001-00.

SUMMARY

Gen Two Solutions, LLC, has a purchase agreement in place for the property located at 205 W. Oliver Drive and is requesting a Special Land Use Permit for a Marihuana Facility. According to section 6.2.2 Special Land Uses of the Zoning Ordinance, any person owning or having an interest in the subject property may file an application for a special land use.

City Council will be considering an ordinance amendment that would allow for a Marihuana facility in a 100,000 square foot or larger building with at least 12 total acres and not restricted to site distances from another grower. City Council will also be considering a zoning ordinance amendment which requires marihuana facilities to be special land uses. The property is zoned I-1 Research and Technical District which is the proper zoning required for a marihuana facility.

Planning Commission is being presented with the application, purchase agreement, business plan, and draft special land use agreement for review. The special land use agreement should address all concerns from the City, Planning Commission and eventually City Council and spell out the requirements.

Planning Commission is being asked to review the application and schedule a public hearing for September 8, 2021, at that point City Council will have held the public hearing on the proposed ordinance amendments. If the proposed amendment is not approved to allow for the property at 205 W. Oliver, the public hearing will be cancelled.



RECOMMENDATION

It is recommended to receive the Special Land Use Application and schedule a public hearing for September 8, 2021 to give the community an opportunity to comment on Special Land Use Application #RZ21.02 for 205 W. Oliver Drive. After receiving comment, the Planning Commission will be asked to consider recommending the approval of the application and agreement to City Council.

CITY OF MARSHALL, MARSHALL MICHIGAN

SPECIAL LAND USE PERMIT (SLU) NO. _____

By the action of the Marshall City Council, pursuant to the recommendation of the Marshall Planning Commission, the Special Land Use Permit is granted to Gen Two Solutions LLC (hereinafter, collectively, “Grantee”) on the ____ of _____, 2021, effective upon City approval of Grantee’s aforementioned plans as specified herein, and the terms and conditions of this SLU Permit, to allow the growing and processing of marihuana and marihuana-infused products, under the conditions of this SLU Permit, on an approximately 15 acre site, located at 205 West Oliver Drive, Marshall, Michigan, 49068, parcel identification number, 53-003-001-00. The Property is legally described as follows:

COMMENCING AT THE NORTH ¼ CORNER SECTION 1, T38, R6W, CITY OF MARSHALL, CALHOUN COUNTY, MICHIGAN. THENCE DUE WEST 1125 FEET ALONG THE NORTH LINE OF SAID SECTION 1; THENCE DUE SOUTH 40.00 FEET TO THE POINT OF BEGINNING, THENCE CONTINUING DUE SOUTH 726 FEET, THENCE DUE WEST 900 FEET, THENCE DUE NORTH 726 FEET; THENCE DUE EAST 900 FEET TO THE POINT OF BEGINNING. CONTAINING 15 ACRES OF LAND, MORE OR LESS. BEING SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD, IF ANY.

(Hereinafter, collectively, 205 West Oliver Drive and legal description, the “Property”.)

PROVIDED HOWEVER, that the uses Permitted herein shall be subject to the following conditions and requirements:

I. CONDITIONS PRECEDENT TO THE EFFECTIVE DATE OF THIS PERMIT:

- A. Grantee has obtained or received prequalification for all required licenses from the Department of Licensing and Regulatory Affairs and the Marijuana Regulatory Agency relative to the growing and processing of marihuana to be conducted at the Property area as identified in this SLU Permit; and Grantee has obtained all required licenses from the City of Marshall and all licenses are identified and license fees paid.
- B. Grantee has submitted an Operations Plan to the City and received approval from City officials and said Plan must be maintained.
- C. Grantee has submitted a Security Plan to the City and received approval from City officials and said Plan must be maintained.
- D. Grantee has submitted an Odor Mitigation Plan to the City and received approval from City officials and said Plan must be maintained.

- E. Grantee has submitted a Site Plan and Landscaping Plan to the Planning Commission and received approval from the Planning Commission and said Plans must be maintained.

II. CONDITIONS RELATIVE TO MARIHUANA OPERATIONS:

- A. Conditions identified and required in Section I (A-E) above are hereby incorporated as fully set forth in Section II.
- B. That all marihuana growing, and marihuana processing operations (hereinafter, “Marihuana Operations”) shall be conducted by the Grantee and restricted to the Property area as identified in this SLU Permit.
- C. That all Marihuana Operations shall be in compliance with the Michigan Marihuana Facilities Licensing Act (MMFLA), the Michigan Regulation and Taxation of Marihuana Act (MRTMA), and their associated administrative rules issued by the Department of Licensing and Regulatory Affairs and the Marijuana Regulatory Agency (MRA), and any legislation that amends the MMFLA and/or MRTMA and their associated administrative rules.
- D. That all Marihuana Operations shall be conducted in compliance with the City of Marshall’s Ordinances and applicable codes, including but not limited to, building codes and regulations.
- E. That all Marihuana Operations shall be conducted in compliance with applicable state building codes and regulations.
- F. That all Marihuana Operations shall be conducted in conformity with:
 - 1. Operations Plan,
 - 2. Security Plan, to include security fencing and lighting requirements, and Grantee security staffing personnel,
 - 3. Landscaping Plan,
 - 4. Odor Mitigation Plan, to include such measures as:
 - i. Grantee shall install and maintain in operable condition a system which precludes the emission of unreasonable and/or offensive marihuana odors from the Property.
 - ii. Grantee shall prohibit cultivation activity that results, or may responsibly result, in the emission of any gas, vapors, unreasonable and/or offensive odors, smoke, dust, heat or glare that is noticeable at or beyond the property line. Sufficient measures and means of preventing the escape of such substances from the facilities must be provided at all times. In the event that any gas, vapors, unreasonable and/or offensive odors, smoke, dust, heat or glare, or other substances exit the facilities, Grantee shall be

liable for such conditions and shall be responsible for immediate, full clean-up.

- iii. Grantee properly dispose of all such materials, items and other substances in a safe, sanitary and secure manner and in accordance with all applicable federal, state and local laws and regulations.

- G. All Marihuana Operations on the Property are subject to 24-hour inspection, without advance notice, by State officials and City officials, including but not limited to, members of the Marshall Building and Planning Departments, Police and Fire Departments, Finance, City Administration and City Attorney, as necessary, in the opinion of said officials, to determine compliance with this SLU Permit.
- H. That the Grantee obtain a policy to defend and indemnify the City, its Councilmembers, employees, and agents (collectively, the “City”), in an amount reasonably relevant to the Marihuana Operations, insuring the City against any loss or damage to persons or property, claims, and allegations, arising directly or indirectly from the Marihuana Operation of Grantee, or any person acting on behalf of Grantee in carrying on any activated connected directly or indirectly with the issuance of said SLU Permit.
- I. That the Grantee shall be responsible for compliance with the terms of this Permit and shall provide the City Manager’s Office with the name of three (s) persons that should be contacted in the event a term of this SLU Permit is violated. The Grantee shall provide for where these individuals can be reached both by telephone, email, and mailing address.
- J. That Grantee shall comply with the requirements of all reviewing agencies.
- K. That Grantee shall employ measures as needed to assure that the public streets remain clear of mud, dust, and other materials from the Marihuana operations.

III. GENERAL PERMIT CONDITIONS:

- A. That Conditions identified and required in Sections I (A-E) and Section II (A-K) above are hereby incorporated as fully set forth in Section III.
- B. That this SLU Permit is not assignable, transferable, or modifiable without the express written approval of the City Council. A request for transfer must be made in writing and include a representation or commitment by the proposed transferee to abide by all terms within this SLU Permit and any new or additional terms deemed necessary by the City Council at the time of transfer to safeguard the public interest.
- C. Except as otherwise provided herein, all representations of the Grantee in connection with its application for SLU Permit shall be deemed as continuing representations and incorporated herein by reference as if fully set forth. Further, all conditions and

representations contained in the Grantee's Plans previously or hereafter approved are incorporated by reference as conditions of this SLU Permit.

- D. Marihuana Operations shall be conducted in accordance with the site plans, and all applicable plans identified herein, except as modified by the conditions of this SLU Permit.
- E. Any violations of the statutes and laws cited herein, associated administrative rules, City Ordinances and codes, terms of this SLU Permit, site plan, and other Grantee's plans, shall be cause for revocation of this Special Land Use Permit.
- F. The laws of the State of Michigan shall govern this SLU Permit and the venue for all legal proceedings in connection with this SLU Permit shall be Calhoun County, Michigan.

IV. EFFECTIVE DATE:

- A. DUE AUTHORIZATION. The City and Grantee warrant and represent to the other that this SLU Permit and the terms and condition thereof have been duly authorized and approved by the City Council and Grantee, Gen Two Solutions LLC., and their owners and officers, and affiliates or others that may have interest in the Marihuana Operations on the Property.
- B. That the persons who have executed this SLU Permit below have been duly authorized to do so.
- C. That Grantee, Gen Two Solutions LLC., and their owners and officers, and affiliates, or others that may have interest in the Marihuana Operations on the Property, hereby agree to all terms and conditions as set forth in this SLU Permit.
- D. Construction of buildings, structures, and direct and indirect construction for Marihuana Operations, and direct Marihuana Operations, are only permitted pursuant and subject to this SLU Permit on or after the Effective Date of this SLU Permit.

This Special Use Permit granted to Gen Two Solutions LLC. shall become effective on _____ and this recorded date of effect is that date on which conditions stated herein were certified as having been complied with.

WITNESSES:

CITY OF MARSHALL

By _____
Trisha Nelson, City Clerk

Gen Two Solutions LLC.

By _____
Evan Pilot, Director

GEN II SOLUTIONS
6001 Cass Avenue, Detroit, MI. 48202.
(313)-909-6531

The logo for GEN II SOLUTIONS features the company name in white, bold, sans-serif capital letters. The 'II' is significantly larger and more prominent than the other characters. The text is centered within a dark blue circular shape that has a glossy, 3D effect with highlights and shadows. This circle is set against a background of lighter blue, semi-transparent circles of varying sizes, creating a layered, modern aesthetic.

City of Marshall – Planning Commission

323 W. Michigan Ave, Marshall, MI. 49068.

Dear Planning Commission,

We are seeking Special Land Use approval for the property located at 205 W. Oliver Street (Tax Parcel ID# 53-003-001-00) for the purpose of adult use cannabis processing and cultivation. This letter will summarize the request, history of the property, and highlight the economic impacts.

The site was built in the 1970's and operated as an adhesive manufacturing facility for a multinational organization. The site employed workers from the local area and provided many opportunities for the employees and city alike.

GEN II Solutions interest in the property began in November 2020 when we first contacted the sellers with our intent to purchase the site. As of May 4th, 2021, the purchase agreement between GEN II Solutions and the seller has been executed. The purchasing agreement is attached for your reference. One of the significant components of the purchase agreement is the contingency of Special Land Use approval being granted from the City of Marshall. With the approval, we will be able to execute the contract and continue down the path of turning this site into a successful business. Currently the building is zoned within the I-1 district, and we are seeking approval to operate within the City of Marshall. There are no proposed changes to the exterior elevations of this site.

In the near term, support from the City of Marshall will enable GEN II Solutions to revitalize the property. Once Special Land Use is provided, and in conjunction with our facility consultants, we plan to introduce odor control measures by incorporating appropriate HVAC equipment

GEN II SOLUTIONS

and various monitoring procedures. This will provide for safe working conditions at the site and eliminate any impact to our neighbors. Based on our experience and with our proposed mechanical equipment, we expect the odor from our site to be well below the screening levels the City will permit.

With your support, we plan to hire up to 100+ local resources and tap into the talent pool within the City of Marshall. Hire local is at the core of our business strategy. Going forward, we plan to be excellent corporate citizens and neighbors operating within the city limits and would seek to be considered for opportunities to support and lead local initiatives.

In conclusion, with your Special Land Use request approval, we will prevent adverse impacts on neighboring properties and districts, preserve public health, safety, morals, and general welfare, and facilitate development in accordance with the land use objectives of the City of Marshall Master Plan.

We ask for your consideration and support in helping us become a successful business in the City of Marshall. This Special Land Use approval will promote the flexibility and expansion necessary to convert this property into a successful business operation. We look forward to addressing additional concerns at public hearings and municipal meetings necessary to work through these requested approvals.

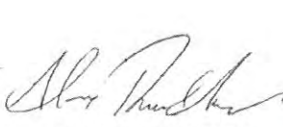
Best Regards,



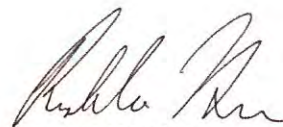
EVAN PILOT
Director



JONATHAN GAVRILOSKI
Director



ALEX RISTOVSKI
Director



RUSH HASAN
Director

SPECIAL LAND USE APPLICATION

City of Marshall
Fee \$250.00

Section 6.2 of the Marshall City Zoning Ordinance gives citizens the opportunity to file for a Special Land Use Permit when it is required by zoning district.

Process

- Application, fee, and all required materials are submitted by due date. Once found to be complete, the application is placed on the Planning Commission agenda for acceptance.
- Planning Commission meeting #1:** At this meeting, a public hearing is scheduled for the following month.
- Neighbors within 300 feet of the property seeking special land use are notified of the public hearing.
- Planning Commission meeting #2:** Public hearing is held and discussion takes place. A recommendation on the application is given for City Council.
- City Council meeting:** Item is placed on the agenda, a staff report and Planning Commission comments are offered for review and City Council grants final approval, disapproval, or approval with conditions.

Address of subject property 205 W OLIVER DR, MARSHALL, MI 49068

Applicant's name GEN TWO SOLUTIONS, LLC Phone 313-909-6531

Applicant's address 6001 CASS AVENUE City DETROIT Zip 48202

Owner's Name BOSTIK, INC. Phone _____

Owner's Address 11320 W. WATERTOWN PLAN RD City WAUWATOSA Zip 53226

Explain need for a Special Land Use permit at the subject property (attach more if necessary):

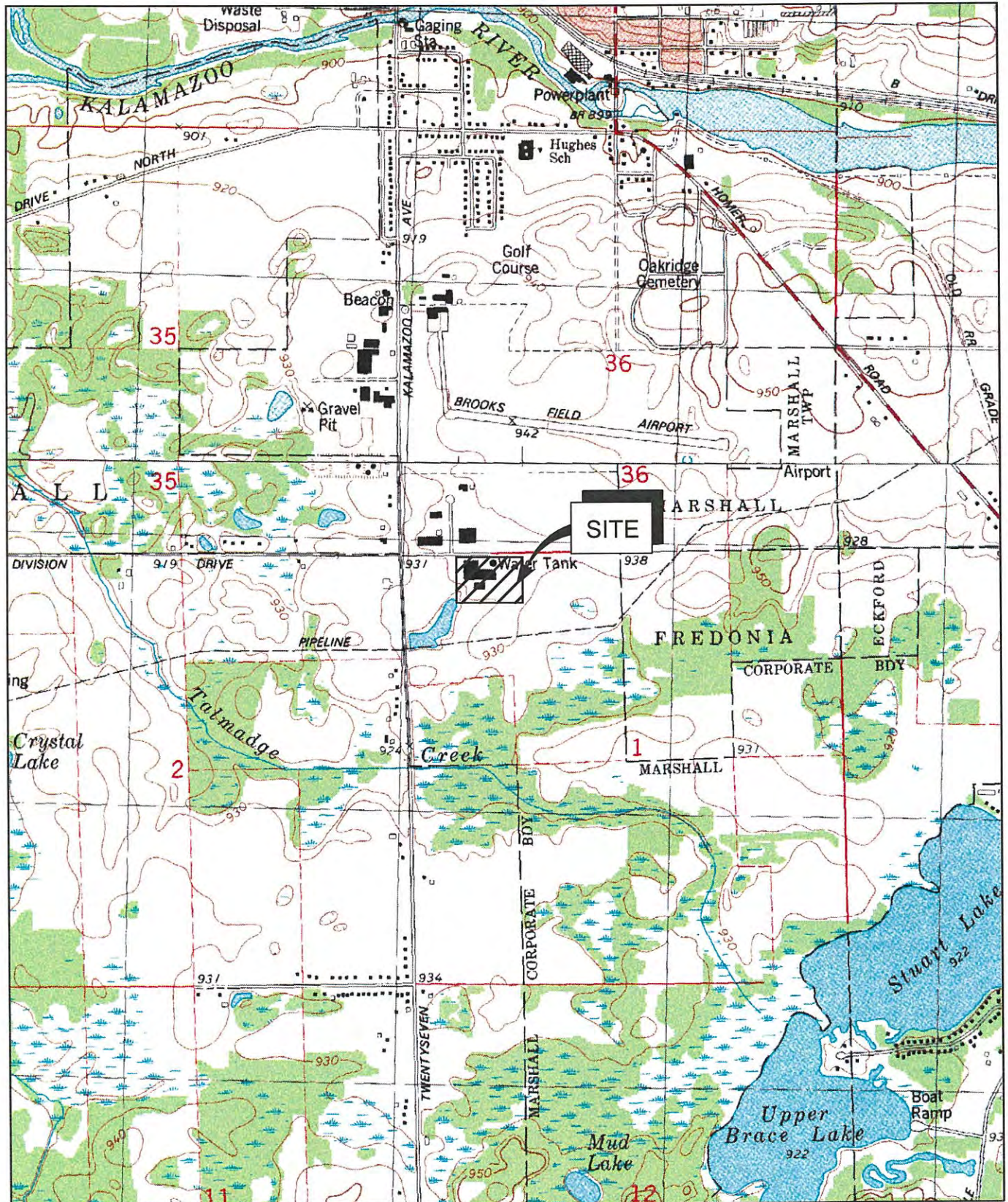
The Subject property will be used for marijuana cultivation and processing. We are seeking special land use permit to operate within city and state compliance and regulations.

Applicant's Signature  Date 07/07/2021

Owner's Signature SEE PURCHASE AGREEMENT ATTACHED Date _____

The following items MUST be submitted for the application to be complete:

- A plot plan showing property boundaries and legal description
- Existing structures, uses and zoning on subject and adjacent properties
- Location of all abutting streets, easements, and similar public areas
- Proposed compliance plan (if applicable) including hours, signs, parking, etc.

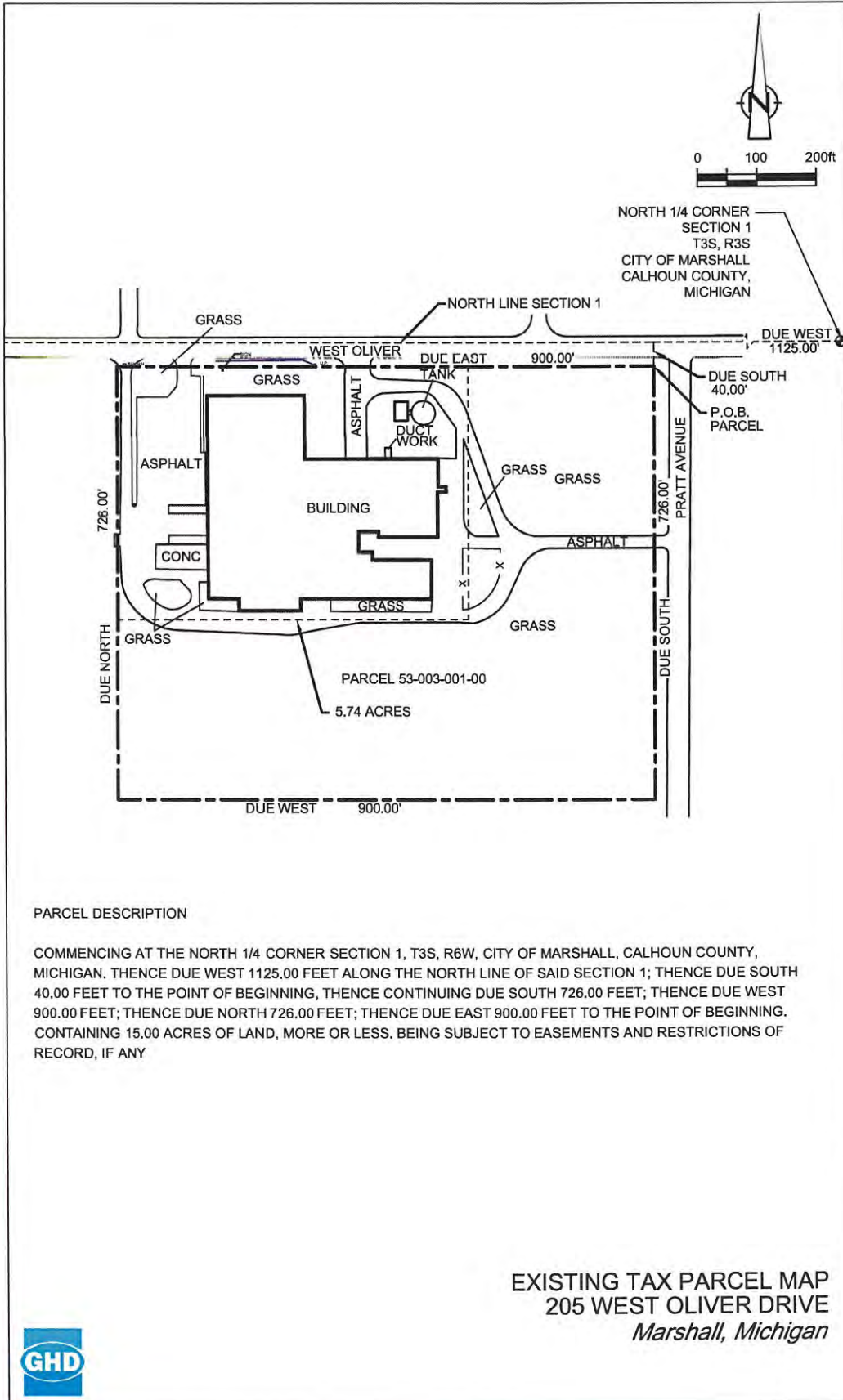


SOURCE: USGS QUAD MAP: MARSHALL, MICHIGAN: LYON LAKE, MICHIGAN



MARSHALL, MICHIGAN

SITE LOCATION

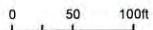
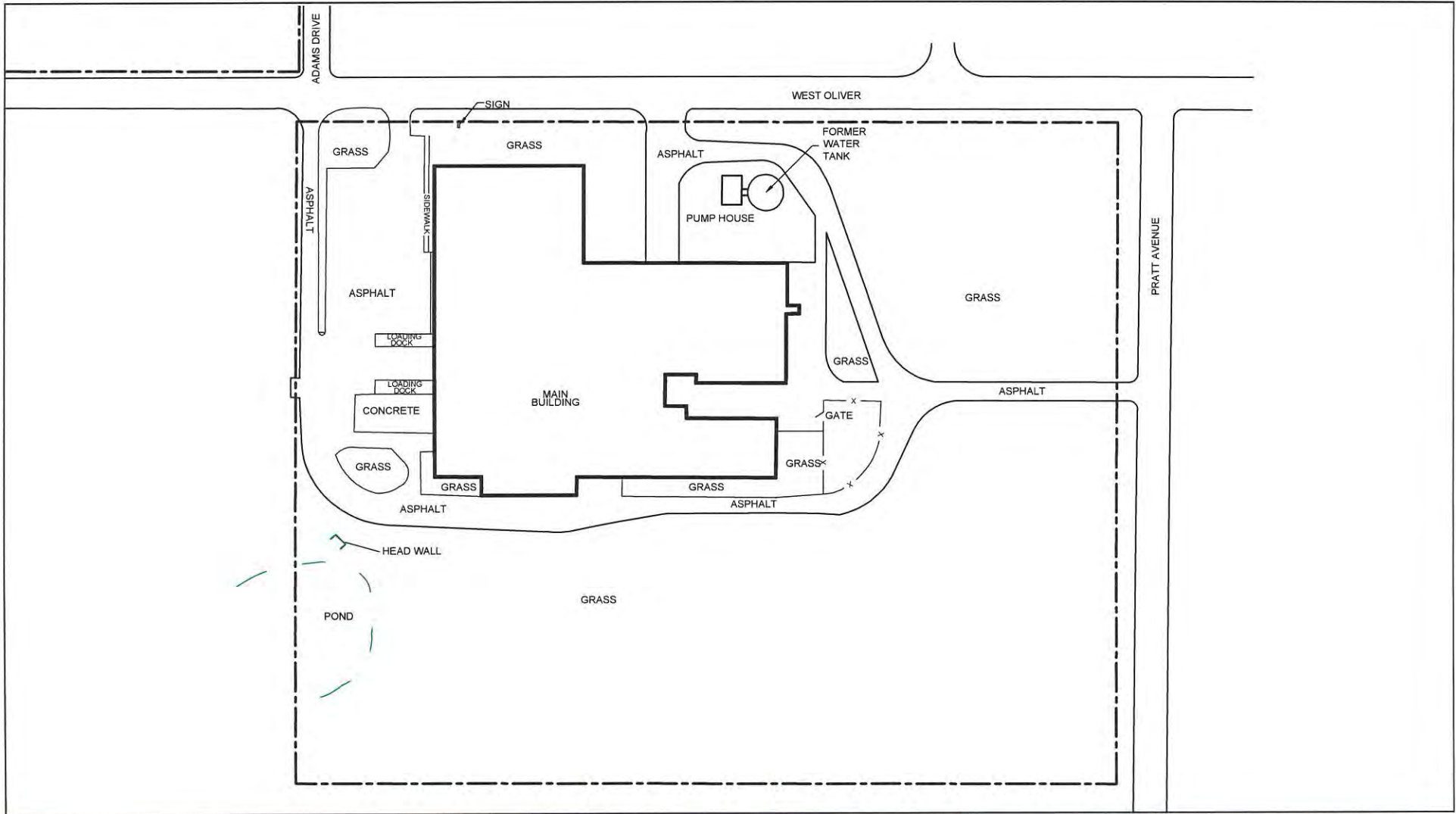


PARCEL DESCRIPTION

COMMENCING AT THE NORTH 1/4 CORNER SECTION 1, T3S, R6W, CITY OF MARSHALL, CALHOUN COUNTY, MICHIGAN. THENCE DUE WEST 1125.00 FEET ALONG THE NORTH LINE OF SAID SECTION 1; THENCE DUE SOUTH 40.00 FEET TO THE POINT OF BEGINNING, THENCE CONTINUING DUE SOUTH 726.00 FEET; THENCE DUE WEST 900.00 FEET; THENCE DUE NORTH 726.00 FEET; THENCE DUE EAST 900.00 FEET TO THE POINT OF BEGINNING. CONTAINING 15.00 ACRES OF LAND, MORE OR LESS, BEING SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD, IF ANY

EXISTING TAX PARCEL MAP
205 WEST OLIVER DRIVE
Marshall, Michigan





LEGEND

- — — — — PROPERTY BOUNDARY
- x — — — — — FENCE LINE



MARSHALL, MICHIGAN

SITE PLAN



1. Description of Site

1.1 Site Location

The Site is located at 205 Oliver Drive in the City of Marshall, Calhoun County, Michigan. Based on the review of available information, the Site consists of roughly 18 acres of land, including approximately 130,000 sf of floor space, located in the main building. Ancillary structures, located at the Site, include a pump house with demolished water tank, interior roads, parking areas, storm water pond and vegetated areas.

1.2 Current and Historical Ownership and Operations

The Site was originally developed in 1970 by the Bostik Chemical Group Emhart, a subsidiary of Emhart Corporation. Bostik, Inc. became an incorporated subsidiary of Emhart Industries, Inc. in September 1989. In 1990, Bostik was purchased by Total Fina and Bostik Findley was formed in 2001 during the merger of Total Fina & Elf Aquitaine. In February 2015, Bostik became a wholly owned subsidiary of Arkema, Inc. Bostik Division Emhart was listed in the city directories from 1977 to 1997. The 2002 and 2007 city directories listed Bostik, Inc. as an occupant of the Site.

Based on the review of historical aerial photographs, portions of the Site were depicted as cultivated land from at least 1938 until Site development in 1970. Bostik manufactured anti-seize, hot melt adhesives and specialty-coated film products at the Site from 1971 through July 2010. The Site is currently inactive and the main building is vacant.

1.3 Regional Zoning

Based on the review of the 2009 City of Marshall Zoning Map, as shown in Figure 3.1, the City of Marshall consists of residential areas, public lands, businesses, office areas, and research and manufacturing areas.

1.4 Site Zoning and Adjacent Properties

Based on the review of the 2009 City of Marshall Zoning Map, Figure 3.1, the Site and surrounding properties are zoned I-1 for research and manufacturing.

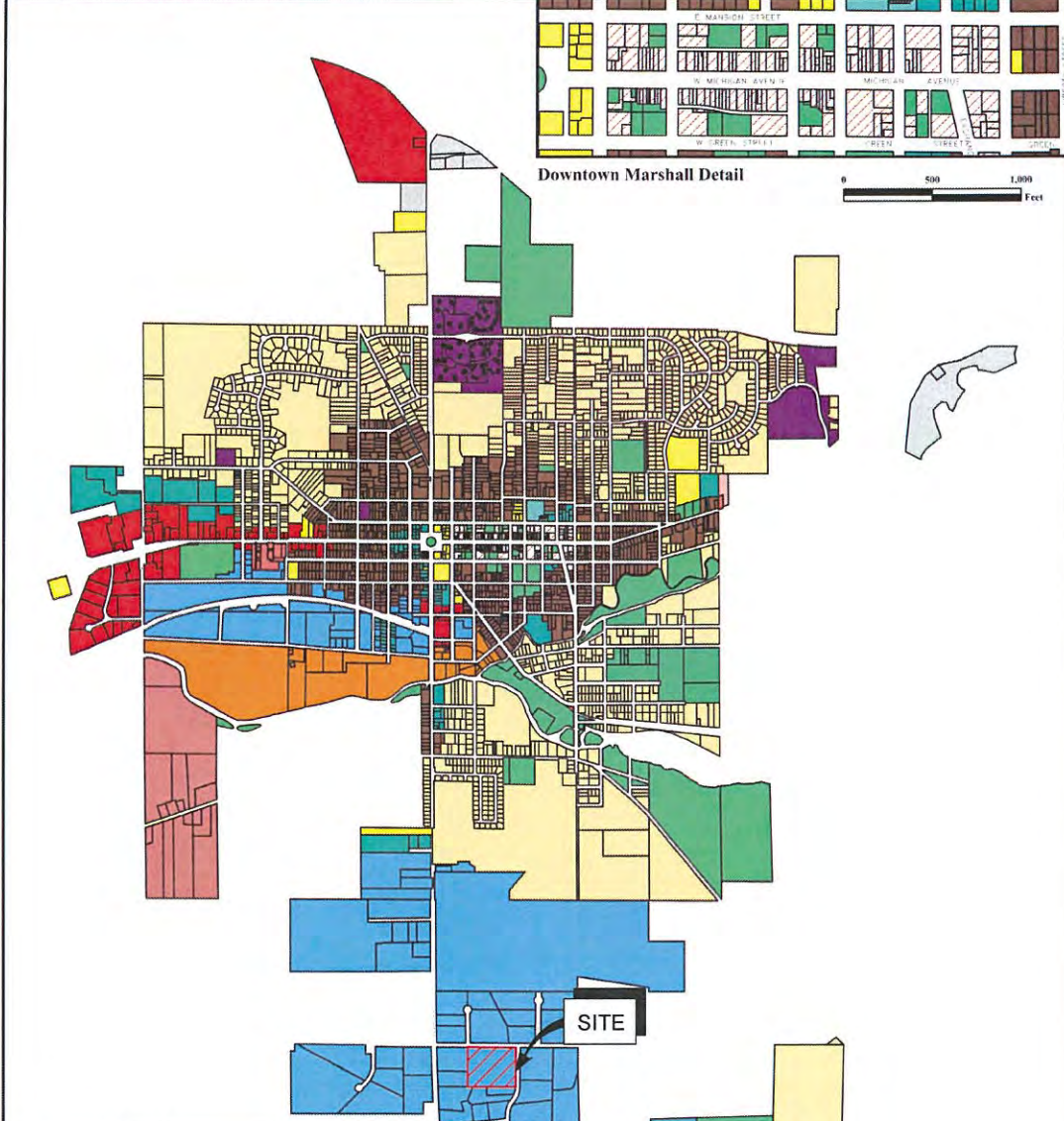
The Site is bordered:

1. To the north by Oliver Drive and beyond by C&S Carton (A Division of Chelsea Milling Company), Adams Street, vacant industrial building (previously occupied by Campbell Soup), and Maverick Machine & Tool.
2. To the east by vegetated land and beyond by Pratt Avenue and an industrial building (previously occupied by Autocam Corporation).
3. To the west by McElroy Metal.
4. To the south by a pond and vegetated land and beyond by Spero Industries, LLC.

City of Marshall Zoning Map



Downtown Marshall Detail



Legend

	B-2 (Local Business)
	B-3 (Neighborhood Commercial)
	B-4 (Regional Commercial)
	FS (Freeway Service)
	HCHSD (Health Care and Human Services)
	I-1 (Research and Manufacturing)
	I-2 (General Industrial)
	MFRD (Multiple Family Residential)
	MHPD (Manufactured Housing Park)
	POSD (Professional Office Service)
	PSP (Public / Semi Public Services)
	PUD (Planned Unit Development)
	R-1 (Residential Estate)
	R-2 (Suburban Residential)
	R-3 (Traditional Residential)

Certification
The undersigned hereby certifies that the foregoing is a true and accurate copy of the official zoning map adopted by the City Council of the City of Marshall at the regular meeting held on _____ December 7, 2009.

Sandra Bird, City Clerk-Treasurer
City of Marshall, Michigan

Disclaimer
The lot lines of this map are representative of actual lot lines and are not intended as a substitute for an official survey or to be used to resolve boundary or area issues.

Map Amendments

Date	Ordinance Number
12/8/2009	#09-03

0 1,100 2,200 Feet

12/08/2009



MARSHALL, MICHIGAN

ZONING MAP



Property Address

205 W OLIVER DR
--, MI, 49068

Owner Address

BOSTIK INC
--
11320 WATERTOWN PLANK ROAD
WAUWATOSA, WI 53226-3413

Unit: 53
Unit Name: CITY OF MARSHALL

General Information for 2021 Tax Year

Parcel Number:	53-003-001-00	Assessed Value:	\$1,165,900
Property Class:	301	Taxable Value:	\$880,929
Class Name:	INDUSTRIAL	State Equalized Value:	\$1,165,900
School Dist Code:	13110		
School Dist Name:	MARSHALL		

PRE 2020: 0%
 PRE 2021: 0%

Prev Year Info

Prev Year Info	MBOR Assessed	Final SEV	Final Taxable
2020	\$1,057,700	\$1,057,700	\$868,767
2019	\$1,056,400	\$1,056,400	\$852,569

Land Information

Acreage:	15
Zoning:	I-1

Legal Description

MARSHALL CITY, PART OF SEC 1-3-6 BEG 1125 FT W & 40 FT S OF N 1/4 POST S 726 FT, W 900 FT, N 726 FT, E 900 FT TO POB.

Sales Information

No Records Found

Tax History *Total Due as of settlement date

Tax Details 2018 Winter

School Dist. Code:	13110	Assessed Value:	\$1,038,500
School Dist. Name:	MARSHALL	Taxable Value:	\$832,587
Property Class:	301	State Equalized Value:	\$1,038,500
Class Name:	INDUSTRIAL	Exemption Percent:	0%
Last Payment Date:	December 17, 2018		
Base Tax:	\$16,604.21	Base Paid:	\$16,604.21
Admin Fees:	\$164.05	Admin Fees Paid:	\$164.05
Interest Fees:	\$0.00	Interest Fees Paid:	\$0
Total Tax & Fees:	\$16,768.26	Total Paid:	\$16,768.26

Tax Items 2018 Winter

Tax Source	Millage Rate	Tax Amt.	Base Amt. Paid
COUNTY VETERANS	0.1	83.25	\$83.25

MEDICAL CARE	0.2482	206.64	\$206.64
SENIOR MILLAGE	0.7452	620.44	\$620.44
CALHOUN I.S.D.	3.0757	2,560.78	\$2,560.78
K.C.C.	1.8068	1,504.31	\$1,504.31
SCHOOL OPER	8.9649	7,464.05	\$7,464.05
SCHOOL DEBT	3.525	2,934.86	\$2,934.86
SCH SINKING FUND	0.5	416.29	\$416.29
MSL AMBUL. AUTH	0.7	582.81	\$582.81
SCHOOL OPER FC	8.9649	0.00	\$0.00
BRACE LAKE	0	32.06	\$32.06
L. ALTA BROOKS I	0	198.72	\$198.72

Tax Details 2018 Summer

School Dist. Code:	13110	Assessed Value:	\$1,038,500
School Dist. Name:	MARSHALL	Taxable Value:	\$832,587
Property Class:	301	State Equalized Value:	\$1,038,500
Class Name:	INDUSTRIAL	Exemption Percent:	0%

Last Payment Date: September 4, 2018

Base Tax:	\$42,040.99	Base Paid:	\$42,040.99
Admin Fees:	\$420.40	Admin Fees Paid:	\$420.40
Interest Fees:	\$0.00	Interest Fees Paid:	\$0
Total Tax & Fees:	\$42,461.39	Total Paid:	\$42,461.39

Tax Items 2018 Summer

Tax Source	Millage Rate	Tax Amt.	Base Amt. Paid
CITY GENERAL	17.1629	14,289.60	\$14,289.60
CITY LEAF/BRUSH	0.4954	412.46	\$412.46
CITY REC	0.9306	774.80	\$774.80
DIAL-A- RIDE	0.9306	774.80	\$774.80
LIBRARY OPER	1.6704	1,390.75	\$1,390.75
SET	6	4,995.52	\$4,995.52
CALHOUN I.S.D.	3.13	2,605.99	\$2,605.99
K.C.C.	1.8068	1,504.31	\$1,504.31
SCHOOL OPER	8.9649	7,464.05	\$7,464.05
SCHOOL DEBT	3.525	2,934.86	\$2,934.86

D.D.A.	0	0.00	\$0.00
SCH SINKING FUND	0.5	416.29	\$416.29
COUNTY GENERAL	5.3779	4,477.56	\$4,477.56
SCHOOL OPER FC	8.9649	0.00	\$0.00

Tax Details 2017 Winter

School Dist. Code:	13110	Assessed Value:	\$1,027,000
School Dist. Name:	MARSHALL	Taxable Value:	\$815,463
Property Class:	301	State Equalized Value:	\$1,027,000
Class Name:	INDUSTRIAL	Exemption Percent:	0%

Last Payment Date: December 18, 2017

Base Tax:	\$16,097.36	Base Paid:	\$16,097.36
Admin Fees:	\$160.97	Admin Fees Paid:	\$160.97
Interest Fees:	\$0.00	Interest Fees Paid:	\$0
Total Tax & Fees:	\$16,258.33	Total Paid:	\$16,258.33

Tax Items 2017 Winter

Tax Source	Millage Rate	Tax Amt.	Base Amt. Paid
COUNTY VETERANS	0.1	81.54	\$81.54
MEDICAL CARE	0.2482	202.39	\$202.39
SENIOR MILLAGE	0.7452	607.68	\$607.68
LIBRARY DEBT	0	0.00	\$0.00
CALHOUN I.S.D.	3.0757	2,508.11	\$2,508.11
K.C.C.	1.8068	1,473.37	\$1,473.37
SCHOOL OPER	9	7,339.16	\$7,339.16
SCHOOL DEBT	3.525	2,874.50	\$2,874.50
SCH SINKING FUND	0.5	407.73	\$407.73
MSL AMBUL. AUTH	0.7	570.82	\$570.82
SCHOOL OPER FC	9	0.00	\$0.00
BRACE LAKE	0	32.06	\$32.06

Tax Details 2017 Summer

School Dist. Code:	13110	Assessed Value:	\$1,027,000
School Dist. Name:	MARSHALL	Taxable Value:	\$815,463
Property Class:	301	State Equalized Value:	\$1,027,000
Class Name:	INDUSTRIAL	Exemption Percent:	0%

Last Payment Date: August 21, 2017

Base Tax:	\$41,223.46	Base Paid:	\$41,223.46
Admin Fees:	\$412.23	Admin Fees Paid:	\$412.23
Interest Fees:	\$0.00	Interest Fees Paid:	\$0
Total Tax & Fees:	\$41,635.69	Total Paid:	\$41,635.69

Tax Items 2017 Summer

Tax Source	Millage Rate	Tax Amt.	Base Amt. Paid
CITY GENERAL	17.1629	13,995.70	\$13,995.70
CITY LEAF/BRUSH	0.5	407.73	\$407.73
CITY REC	0.9393	765.96	\$765.96
DIAL-A- RIDE	0.9393	765.96	\$765.96
LIBRARY OPER	1.6711	1,362.72	\$1,362.72
SET	6	4,892.77	\$4,892.77
CALHOUN I.S.D.	3.13	2,552.39	\$2,552.39
K.C.C.	1.8068	1,473.37	\$1,473.37
SCHOOL OPER	9	7,339.16	\$7,339.16
SCHOOL DEBT	3.525	2,874.50	\$2,874.50
D.D.A.	0	0.00	\$0.00
SCH SINKING FUND	0.5	407.73	\$407.73
COUNTY GENERAL	5.3779	4,385.47	\$4,385.47
SCHOOL OPER FC	9	0.00	\$0.00

Tax Details 2016 Winter

School Dist. Code:	13110	Assessed Value:	\$1,001,100
School Dist. Name:	MARSHALL	Taxable Value:	\$808,190
Property Class:	301	State Equalized Value:	\$1,001,100
Class Name:	INDUSTRIAL	Exemption Percent:	0%

Last Payment Date: January 30, 2017

Base Tax:	\$15,760.38	Base Paid:	\$15,760.38
Admin Fees:	\$157.60	Admin Fees Paid:	\$157.60
Interest Fees:	\$0.00	Interest Fees Paid:	\$0
Total Tax & Fees:	\$15,917.98	Total Paid:	\$15,917.98

Tax Items 2016 Winter

Tax Source	Millage Rate	Tax Amt.	Base Amt. Paid
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COUNTY VETERANS	0.1	80.81	\$80.81
MEDICAL CARE	0.2482	200.59	\$200.59
SENIOR MILLAGE	0.7452	602.26	\$602.26
LIBRARY DEBT	0	0.00	\$0.00
CALHOUN I.S.D.	3.0757	2,485.74	\$2,485.74
K.C.C.	1.8068	1,460.23	\$1,460.23
SCHOOL OPER	9	7,273.71	\$7,273.71
SCHOOL DEBT	3.525	2,848.86	\$2,848.86
SCH SINKING FUND	0.5	404.09	\$404.09
MSL AMBUL. AUTH	0.5	404.09	\$404.09
SCHOOL OPER FC	9	0.00	\$0.00

Tax Details 2016 Summer

School Dist. Code:	13110	Assessed Value:	\$1,001,100
School Dist. Name:	MARSHALL	Taxable Value:	\$808,190
Property Class:	301	State Equalized Value:	\$1,001,100
Class Name:	INDUSTRIAL	Exemption Percent:	0%

Last Payment Date: August 15, 2016

Base Tax:	\$40,487.84	Base Paid:	\$40,487.84
Admin Fees:	\$404.87	Admin Fees Paid:	\$404.87
Interest Fees:	\$0.00	Interest Fees Paid:	\$0
Total Tax & Fees:	\$40,892.71	Total Paid:	\$40,892.71

Tax Items 2016 Summer

Tax Source	Millage Rate	Tax Amt.	Base Amt. Paid
CITY GENERAL	17.1629	13,870.88	\$13,870.88
CITY LEAF/BRUSH	0.5	404.09	\$404.09
CITY REC	0.9393	759.13	\$759.13
DIAL-A- RIDE	0.484	391.16	\$391.16
LIBRARY OPER	1.6711	1,350.56	\$1,350.56
SET	6	4,849.14	\$4,849.14
CALHOUN I.S.D.	3.13	2,529.63	\$2,529.63
K.C.C.	1.8068	1,460.23	\$1,460.23
SCHOOL OPER	9	7,273.71	\$7,273.71
SCHOOL DEBT	3.525	2,848.86	\$2,848.86

D.D.A.	0	0.00	\$0.00
SCH SINKING FUND	0.5	404.09	\$404.09
COUNTY GENERAL	5.3779	4,346.36	\$4,346.36
SCHOOL OPER FC	9	0.00	\$0.00

Application Use:

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PURCHASE AND SALE AGREEMENT

THIS AGREEMENT, made and entered into this 4th day of May, 2021 ("Effective Date"), by and between **Gen Two Solutions, LLC**, a Michigan limited liability company ("Purchaser") of 6001 Cass Avenue, Detroit MI 48202, and **Bostik, Inc.**, a Delaware corporation ("Seller"), with an address of 11320 W. Watertown Plank Road, Wauwatosa, WI 53226.

WITNESSETH:

WHEREAS, Seller is the owner of premises situated in the City of Marshall, County of Calhoun, State of Michigan, commonly known as 205 W. Oliver Street, Marshall, MI 49068, and legally described in Exhibit A; and

WHEREAS, Seller desires to sell and Purchaser desires to purchase all of Seller's rights in such premises, on an AS IS, WHERE IS basis, including (i) all of Seller's rights in the land described in Exhibit A (the "Land"), (ii) all of Seller's rights in the buildings and all other improvements thereon (the "Improvements"), (iii) all of Seller's rights in easements, rights-of-way, tenements, appurtenances, licenses and privileges belonging or in any way appertaining to the Land (the "Easements and Ownership Rights"), (iv) all air, subsurface and mineral rights of Seller relating to the Land except as the same may have been transferred of record prior to the date of this agreement (the "Air and Subsurface Rights"), and (v) all fixtures or other personal property, if any, owned by Seller on the date of closing of the purchase and at that date affixed to or located in and used in connection with ownership and operation of the Land or the Improvements, including without limitation any heating, lighting, incinerating, refrigerating, ventilating, air conditioning, air cooling, plumbing, gas, water and electrical equipment, equipment, machinery (specifically excluding any items of personal property owned by third parties and leased to Seller) situated upon the Land or Improvements if any of the foregoing are located on the Land at the date of closing (the "Personal Property"). All of the foregoing rights described in this paragraph, consisting collectively of the Land, Improvements, Easements and Ownership Rights, Air and Subsurface Rights, and Personal Property, being referred to collectively as the "Property";

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and of the benefits to be derived herefrom, receipt of which is severally acknowledged, Seller and Purchaser hereby agree as follows:

1. Offer and Acceptance. Purchaser offers and agrees to purchase the Property for the Purchase Price defined below and upon the other terms and conditions set forth in this Agreement. Seller hereby accepts the offer of the Purchaser. Such offer and acceptance are subject to and in accordance with the terms and conditions set forth below and the recitals above which are incorporated by reference here.

2. Purchase Price. The total price for the purchase of the Property (the "Purchase Price") shall be Two Million Dollars (\$2,000,000.00), payable as follows:

A. Upon execution of this Agreement by Seller, Purchaser shall deposit with First American Title Insurance Company, as escrow agent (in such capacity, the "Escrow Agent"), the initial sum of One Hundred Fifty Thousand Dollars (\$150,000.00) (the "Deposit") to be held by the Escrow Agent for application to the Purchase Price upon consummation of the transaction. In the event the sale is consummated as contemplated in this Agreement, the Deposit shall be paid by the Escrow Agent to Seller on the Closing Date and credited against the Purchase Price. In the event the sale is not consummated for any reason, disposition of the Deposit and all interest accrued thereon shall be governed by paragraph 12 or 13. **The entire Deposit shall become nonrefundable on and after the earlier of the date that Purchaser satisfies itself with its due diligence as set forth in paragraph 6, or 11:59 PM E.D.T. on the date that is 90 days after the Effective Date ("Diligence End Date"), subject to extension only for a timely and proper Zoning Extension as described in paragraph 6).** Any interest earned on the Deposit, if any, shall be paid to the party entitled to the Deposit, and the party receiving the interest will pay any income tax on it.

B. On the date established pursuant to paragraph 14 (the "Closing Date") for delivery of the covenant deed (Exhibit C) and other closing deliveries to Purchaser and disbursement of the proceeds of the sale due Seller (the "Closing"), Purchaser shall make payment to Seller of the Purchase Price, adjusted to reflect all prorations made pursuant to paragraph 15 and the allocation of closing costs pursuant to paragraph 16 and otherwise as provided in any other paragraph of this Agreement, less the Deposit (together with interest accrued thereon). Payment of the amount due to Seller under this Agreement shall be made by wire transfer of immediately available funds (denominated as US Dollars) to Seller.

3. Evidence of Title. As evidence of title to the Property, Seller shall, as soon as practicable, but within ten (10) days after the date of this Agreement, furnish or cause to be furnished to Purchaser:

A. A commitment dated subsequent to the date of this Agreement for the issuance of an ALTA Form B owner's policy of title insurance (which title insurance policy is to be issued at Closing or as soon as practicable thereafter), without standard exceptions (except subject to the survey exception if Purchaser elects to not obtain an updated survey and the title company will not remove the survey exception with the current survey and an affidavit of no change from Seller (which Seller shall provide if acceptable to the title company), in the amount of the Purchase Price, which commitment shall be issued by First American Title Insurance Company. Seller shall, at the time of Closing, direct the title company to issue a proforma owner's policy and direct the title company to provide an owner's policy of title insurance from First American Title Insurance Company pursuant to the commitment for prompt delivery to Purchaser; and

B. Without warranty any existing surveys of the Property in the possession of Seller. Purchaser shall, at its sole cost, obtain any surveys it desires.

Within fourteen (14) days of Purchaser's receipt of the title commitment, or by the Diligence End Date, if earlier, Purchaser shall notify Seller in writing of any objection to the title to the Property, including any matters of survey, based upon a written opinion of Purchaser's attorney. Notwithstanding the foregoing, Purchaser shall not have the right to object to any of the matters listed on Exhibit C-1 to this Agreement. If Purchaser fails to notify Seller in writing of any such objection, Purchaser shall be deemed to have accepted the state of title to the Property, including any matters of survey. Seller shall have thirty (30) days from the date it is notified in writing of the particular defects claimed either to remedy the defect or defects, provide title insurance over the defect or defects, or to terminate this Agreement, at Seller's sole option; provided that (i) Purchaser may elect to waive any defect and proceed with the purchase subject thereto and provided, further, that (ii) in the event any such defect results from a lien or encumbrance dischargeable upon the payment of a liquidated amount not in excess of One Thousand Dollars (\$1,000.00) in the aggregate, Purchaser may, at its option, pay such amount and receive credit against the Purchase Price. If Seller remedies the defect or defects within the time specified or Purchaser elects to waive such defect or defects or to pay such liquidated amount to discharge such defect or defects, Purchaser agrees to complete the purchase and proceed to Closing within the timeline specified by this Agreement. If Seller is unwilling or unable to remedy the defect or defects within the time specified, this Agreement may be terminated by Seller, or by Purchaser prior to the Diligence End Date, and Purchaser shall be entitled to a refund of the Deposit.

4. Possession. Possession of the Property shall be delivered to Purchaser on the Closing Date.

5. Representations and Warranties.

A. Representations of Seller. Seller represents and warrants to Purchaser, as of the date of this Agreement and as of the Closing Date, as follows:

1. Seller is a duly formed and validly existing corporation in good standing under the laws of the State of Delaware.

2. Seller possesses the authority to enter into and close the transaction contemplated by this Agreement. This Agreement and all documents to be executed pursuant to it by Seller are and shall be binding upon and enforceable against Seller in accordance with their respective terms, and the transaction contemplated by this Agreement will not result in a breach of, or constitute a default or permit acceleration of maturity under, any indenture, mortgage, deed of trust, loan agreement or other agreement to which Seller or the Property are subject or by which Seller or the Property are bound. Seller has the right and power to transfer and convey the Property without violating any contract, lease, mortgage, law, code or regulation, including, but limited to, any fraudulent conveyances law. The individuals executing this Agreement and the instruments referenced herein on behalf of Seller have the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof.

3. Seller is not a "foreign person" as defined in Section 1445(f)(3) of the Internal Revenue Code of 1986 and regulations promulgated thereunder, and Seller will furnish to Purchaser, at Closing, an appropriate affidavit to this effect.

4. No third party possesses any option, right of first refusal or other right to purchase the Property. Seller has not made any agreement to sell any of the Property to any person other than Purchaser that remains in force or effect as of the Effective Date.

5. To the best of Seller's knowledge, after a diligent review of its records, Seller has provided to Purchaser, and/or will provide access to Purchaser at Dickinson Wright's Detroit, Michigan office within ten (10) days of the Effective Date, copies of all non-privileged, material reports and/or sampling data or results relating to the environmental condition of the Property in terms of the presence of Hazardous Substances at, on, under or from the Property in Seller's possession or control.

6. Seller has not granted any leases, licenses, use, rental or occupancy agreements pertaining to the Property except as shown on the title commitment or the owner's affidavit provided to First American Title Insurance Company or anticipated by this Agreement.

7. No improvements, repairs or construction have occurred on the Property within one hundred twenty (120) days prior to the Effective Date of this Agreement, except as anticipated by this Agreement, or Seller shall provide evidence to First American Title Insurance Company that all such work has been paid for prior to the Closing, except any matters arising from the actions of, or investigations by Purchaser.

8. To the Seller's knowledge, no condemnation proceedings or eminent domain proceedings are now pending or contemplated against the Property.

9. Seller will not lease, transfer or otherwise encumber the Property prior to Closing, except as anticipated by this Agreement.

10. Seller has not entered into any oral or written agreements pertaining to the maintenance, administration, operation or servicing of the Property that will be binding upon Purchaser after closing except as set forth in this Agreement.

11. There are no tax appeals or tax valuation cases pending with respect to the Property that were filed by Seller. Seller will not file any such appeals or cases without prior written consent of Purchaser, which consent may be withheld in Purchaser's sole discretion.

The foregoing representations and warranties shall survive Closing for a period of three (3) months. The Seller makes no other representations whatsoever to Purchaser

regarding the Property, and no person or entity whatsoever is authorized to make any representation or warranty regarding the Property that is not set forth in writing in this Agreement. Any information provided by Seller is subject to the terms of the Confidentiality and Nondisclosure Agreement between Purchaser and Seller, which is incorporated here by reference. Purchaser shall not rely upon any representations whatsoever of Seller or its broker, agent or representative, but shall make its own investigation of each and every aspect and condition of the Property. Purchaser's delivery of the Purchase Price or acceptance of the deed to the Property shall evidence Purchaser's absolute satisfaction with and acceptance of each and every aspect and condition of the Property.

B. Representations of Purchaser. Purchaser represents and warrants to Seller, as of the date of this Agreement and as of the Closing Date, as follows:

1. Purchaser is a duly formed and validly existing limited liability company in good standing under the laws of the State of Michigan.

2. Purchaser possesses the authority to enter into and close the transaction contemplated by this Agreement. This Agreement and all documents to be executed pursuant to it by Purchaser are and shall be binding upon and enforceable against Purchaser in accordance with their respective, and the transaction contemplated by this Agreement will not result in a breach of, or constitute a default or permit acceleration of maturity under, any indenture, mortgage, deed of trust, loan agreement or other agreement to which Purchaser is subject or by which Purchaser is bound. Purchaser has the right and power to purchase the Property without violating any contract, lease, mortgage, law, code or regulation, including, but limited to, any fraudulent conveyances law. The individuals executing this Agreement and the instruments referenced herein on behalf of Purchaser have the legal power, right and actual authority to bind Purchaser to the terms and conditions hereof and thereof.

The foregoing representations and warranties shall survive Closing for a period of three (3) months.

6. Inspection and Investigation by Purchaser. Subject to the Purchaser's agreement to hold such materials confidential and without any representation as to the information provided or Purchaser's ability to rely upon it, Seller has provided Purchaser with the environmental reports set forth on Exhibit B ("Seller Reports"), which Exhibit shall be amended within 30 days of the Effective Date, and with access to any surveys which are currently existing and in the present possession of Seller or its property manager ("Property Manager"). Purchaser acknowledges and agrees that Seller makes no representation or warranty, express or implied, as to the accuracy or completeness of the Seller's Reports or whether they constitute all of the reports or documents within Seller's possession or reasonable control regarding the Property. Seller shall have no liability to Purchaser as a result of any inaccuracy in or incompleteness of any of the Seller's Reports. The Seller's Reports are provided as a courtesy only, and Purchaser shall make and rely

on its own independent due diligence investigation. Purchaser and its agents shall have until **11:59 PM, E.D.T. on the Diligence End Date** to inspect and investigate or cause to be inspected all physical aspects and conditions of the Property, to conduct such physically non-invasive environmental investigations, inspections, analyses, evaluations, studies and tests on, of and relating to the Property as Purchaser and Purchaser's Personnel deem necessary or advisable, and otherwise to determine the suitability of the Property for use by Purchaser, in Purchaser's sole discretion, including, without limitation, verification of zoning and building condition, including mechanical systems, plumbing, and roof. Additionally, Purchaser may elect to perform reasonable sub-slab (or sub-surface) vapor testing prior to the Diligence End Date, subject to Seller's prior written consent, not to be unreasonably withheld, conditioned or delayed. All inspections and vapor testing shall be conducted at Purchaser's sole cost and expense. Without release from any other notice requirements to which Purchaser is bound under this Agreement, Purchaser will provide not less than two (2) business days prior telephonic or facsimile notice to Seller prior to each entry onto the Property by Purchaser or Purchaser's Personnel, which notice shall provide details of the nature of its proposed entry and investigation. Seller and/or Seller's designated agent(s) or representative(s) may be present and accompany Purchaser and Purchaser's Personnel at all times during Purchaser's or Purchaser's Personnel's entry on the Property pursuant to this Agreement. Purchaser shall comply and cause Purchaser's Personnel to comply with all laws relating to the Property and shall not permit any liens to attach to the Property by reason of the exercise of Purchaser's rights hereunder. Seller does not vouch for, or take any responsibility for, any consultants selected by Purchaser for its inspections or assessments of the Property. Accordingly, the results of any inspections conducted by such consultants shall not be deemed to have been obtained at the direction of, or with the concurrence of, Seller. Seller shall not be deemed to have any actual or constructive knowledge of the results or conclusions of any such inspections or assessments, and Purchaser shall not provide Seller with the results or conclusions of any such inspections or assessments absent Seller's express written request for same in each such instance. If Seller requests disclosure by Purchaser of such results, Purchaser shall provide Seller with same within three (3) business days of Seller's delivery of such request to Purchaser. Purchaser and Purchaser's Personnel hereby assume all risks connected with the access to the Property hereby granted to Purchaser and Purchaser's Personnel, and full and complete responsibility for (a) all Persons comprising Purchaser and Purchaser's Personnel, respectively, and (b) Purchaser's property; provided, however, that this assumption shall not be applicable to any intentional misconduct or negligence by Seller. Purchaser hereby indemnifies Seller, its agents, brokers, or representatives (representatives and agents include without limitation all company directors, officers, employees, shareholders, members, attorneys, consultants and other representatives and agents), and holds Seller, its agents, brokers or representatives harmless against any liability, loss or damage to the extent arising from Purchaser's entry on and activities at the Property.

From the Effective Date until the Diligence End Date, Purchaser may seek approval for such permits, licenses, zoning, variances, entitlements and development rights desired by Purchaser for Purchaser's intended use of the Property (collectively, the "Governmental Approvals"). Consistent with the foregoing, Seller shall reasonably cooperate with Purchaser in connection with such Governmental Approvals, including executing such commercially

WHEREFORE, the Purchaser has executed this Agreement on the Date of Offer shown below and Seller has accepted same on the Date of Acceptance shown below.

Date of Offer:

May 3rd, 2021

Purchaser: **Gen Two Solutions, LLC**

By: *Evan Platt*

Its: Manager

Date of Acceptance:

May 4, 2021

Seller: **Bostik, Inc.**

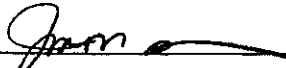
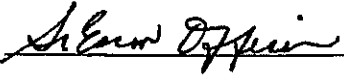
By: *Chelsea M. Deen*

Its: Vice President & CFO

RECEIPT OF DEPOSIT

The undersigned, as Escrow Agent under the foregoing Purchase Agreement, hereby acknowledges receipt of funds in the amount of One Hundred Dollars (\$ 100,000.⁰⁰), constituting Purchaser's Deposit under the Agreement. Fifty Thousand and 00/100.

First American Title Insurance Company

By 
Its 

Dated: 5-4, 2021



BUSINESS PLAN

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Introduction

The following business plan is intended to demonstrate a conscientious approach to the successful long-term management and operation of a cannabis grower and processor. This business plan will identify how we, as a grower and processor, adhere to the regulatory framework to provide consistent, quality products.

The following pages are an overview of our long-term goals, how we plan to achieve those goals financially, the experience and resources our ownership team brings, and a projected timetable for becoming operational. We feel that our combination of experience and strategic partnerships will ensure we meet and exceed our goals.

Our proposed facility is a 100,000 sq. ft. industrial building, located in 205 Oliver St, Marshall, Michigan, and will house 75,000 sq. ft. of cultivation space at full capacity. The facility will be built out in three phases. First phase will have 25,000 sq. ft. of cultivation canopy space.

Our facility will also conduct light processing and manufacturing of cannabis products as allowed by the processing license. We have allocated 6,000 sq. ft. for these additional functions to complement our cultivation operations.

The remaining space is utilized for executing our operations; such as product storage, offices, breakrooms, sanitation stations, loading/unloading, distribution and similar.

Based on our current design for hydroponic cultivation, we anticipate producing 75 lbs. of dried, cured, cannabis and 25 lbs. of trim per harvest in Phase I. We intend to have 52 harvests a year, which is made possible by our Variable Capacity, Continuous Harvest (VCCH) approach.

Long-Term Management

The goal of any cultivator is to create a healthy and safe product that provides consistent and quality results for consumers. For us, this is only the baseline. With the current expected growth for the industry in the coming years and our personal passion for cannabis, our vision is to create a lasting and meaningful brand defined by the highest quality cultivar. By achieving this level of success, we are able to give back to our local community in truly meaningful ways. In the following sections we will review the criteria used for choosing our entity type, ownership team, location, onsite structure, and management responsibilities; further, we will discuss how these factors play into setting up our company for a long and successful enterprise.

Entity Type

To form a cohesive long-term plan suitable for a perennial harvest operation, we start with the importance of selecting the correct entity type. How a company forms can dictate its future ability to grow. For operators who do not intend to go beyond one or two licenses, LLC's are good fits due to liability protections and minimal reporting requirements. For operators who intend to become multi-site or multi-state brands, C- or S-Corporations provide ownership distribution flexibility through stocks and shares; but at the cost of increased record and reporting requirements to the state and federal governments. Choosing the right entity type ultimately comes down to what the anticipated long-term goals are.

Though we are applying for a cultivation and processing license, we feel that our selection of genetics, operational structure, and retained subject matter experts position us for securing additional cultivation licenses in just 2 years. Based on our goal of becoming a multi-site brand, and potentially multi-state, we have formed our company as an LLC with the intent of transitioning to a C-Corporation formation upon a successful expansion.

Ownership Team

For stable long-term management, having a compatible and defined ownership composition is a keystone element; it can make or break any business. Independently, each individual or entity who was selected for our ownership team was evaluated on specific criteria. The major criteria elements were:

- The convertible value brought by the individual or entity to the company as a whole. This means things such as their knowledge in business management or finance, supply chain, business development opportunities, asset contribution, and financial investment.
- Their existing experience within the cannabis industry. Have they participated in a management or executive level role for a legally licensed cannabis operator in the United States?
- Their level of involvement in a community. Are they active in a non-profit community,

such as youth engagement or advocacy and outreach?

- Whether they were from a disproportionately impacted background or identified as a minority, woman, veteran, or disabled.
- Their compatibility with existing team members. How well do the skillsets and personalities complement one another? Is the team balanced?
- Their compatibility and availability for filling an executive level role within company. Does the individual intend to play an involved role in the day-to-day operations? If so, how and for how many years?

Location

Within the cannabis industry, site selection is both a choice of appeal and a choice of necessity. The choice of appeal is in who our host municipality will be; who will be the community that we support and vice versa. This is as critical as any other factor since tolerance to the industry is a prime indicator of future responses by the community toward potential issues such as odor leakage.

As an indoor hydroponic cultivator, we are able to avoid many of the adverse effects. Our primary areas of concern are the disruption of the local environment during construction, water usage and reclamation, air filtration, and discharge of water and refuse.

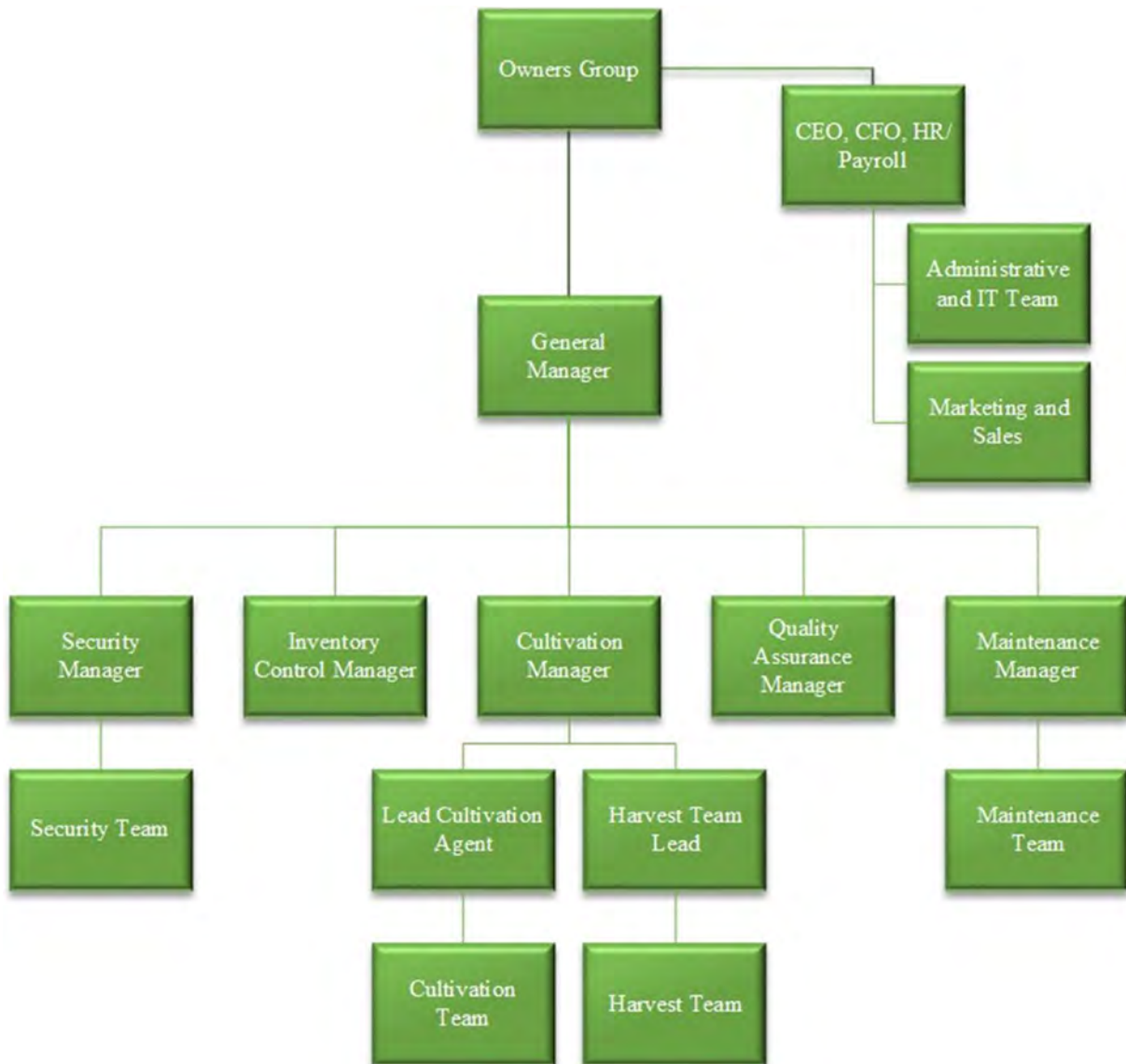
After a municipality was selected that met our cultural attitudes and a site was found that met local and state requirements, we evaluated the remaining sites based on the following:

- Distance from nearest building
- Bay doors
- Building age
- Building materials used in original construction
- Building envelope (insulation rating)
- Scalability for increasing flowering canopy
- Parking availability
- Site security
- Available amperage
- Existing HVAC
- Existing backup power
- Water availability
- Sewage setup
- Flood risk

After a thorough inspection of the buildings and properties, we settled on an industrial site in Marshall, MI which was built in 1971. Based on our initial inspections we are confident that the building envelope, in conjunction with our planned odor control procedures, will prevent adverse impacts on neighboring properties. The building also currently has 75 paved and sectioned parking spaces, with additional room to add parking areas along the throughways to the site which can

potentially increase our paved parking footprint to 135 spaces. We feel this more than sufficient to enable safe dedicated parking for our total staff projections and contractors required during construction.

On-Site Structure



To ensure smooth operations from the first day, it is necessary to clearly define delineations of responsibility and address areas of overlap. Much like the plants we intend to care for, each part of our operations must be maintained daily; but poor planning can lead to unnecessary and even harmful repetition of duties.

Having multiple management-level roles rather than additional lower-level agents reduces the amount of risk in becoming non-compliant. This is crucial in a fast-paced environment that operates seven days a week. The design focuses on positioning a dedicated individual over major areas of compliance, with responsibilities as follows:

Executive Team

The Executive Team includes roles such as CEO, CFO, HR, Marketing, and Sales. In essence, these roles manage and monitor the finances and assets of our operation. They determine the monetary value we set for our products, identify buyers, and maintain our federal and state compliance for taxes and non-cannabis reporting requirements. They also assist the compiling and review of quarterly and yearly reports, and act as the liaison between the General Manager and ownership group.

The Executive team will also maintain responsibility for the management of our staff and contractors. Through the phases of our business plan, we intend to hire 15-20 full time employees in Phase 1 and upwards of 80-100 full time employees at completion of all phases. Our intention is to create an environment in which our staff feels they can build a career, feel secure in their ability to operate in a safe work environment, and ultimately rely on the Executive Team for support in their professional and personal matters. Operationally, the Executive Team will also be held responsible to ensure optimal work shifts for the staff to ensure a healthy work-life balance. In order to accomplish this, we intend to instill 2 shifts at 8 hours per shift. Hours of operations will be 7 days a week, 12 hours a day. However general office operations, packaging, shipping and receiving will occur Monday - Friday 6am-6pm. Only employees, contractors, and delivery personnel are to be allowed on property. All visitors must be registered and approved, and must comply with facility rules. This will ensure we have a strong presence at the facility, and ensure that we have appropriate level of staff to execute on the recurring daily action items through the site. At any given time, the Executive Team will be held responsible for the 24 hour monitoring of the staff and will be sure to have physical onsite presence during each shift 365 days a year.

General Manager

The General Manager (GM) oversees the day-to-day operations of the facility, as well as developing implementation plans for achieving long term goals. The GM serves as the primary form of communication between the executive team and the management team, working directly with the management team and /s to evaluate operations and formulate action plans for issues as they arise.

Cultivation Manager

The Cultivation Manager oversees all facility operations as they relate to the propagation, growth, and harvesting of cannabis flower. The Cultivation Manager will work together with the GM, having a direct involvement in the planning and formulation of products. The Cultivation Manager assists cultivation and harvest leads with their respective planning and calculations, such as nutrient formulation and trim, dry, and cure times. They are also responsible for personally evaluating plants during growth cycles and assisting the Quality Assurance Manager and Inventory Manager with scheduled and unscheduled audits.

Inventory Manager

The Inventory Manager oversees all facility operations as they relate to the movement, storage, shipping, recording, and reporting of cannabis plants and products. They are responsible for ensuring tracking procedures are being executed per protocol, from the tagging of plants at 6 inches of height to the final completed shipment. The Inventory Manager also oversees inventory levels of all non-cannabis products, such as nutrient supplies and grow mediums; replenishing supplies as the needs arise.

Quality Assurance Manager

The Quality Assurance Manager (QAM) is similar to that of a Compliance Officer, in that they are responsible for ensuring we meet all expected state and local reporting requirements, cultivation tax remittance, and similar. They actively monitor changes in regulations as they pertain to our operations, attending meetings and providing the management team and GM with debriefs as necessary. In the event of regulatory changes, the QAM will develop plans of action for adapting to these shifts in requirements. The QAM will also conduct schedule and unscheduled audits of the facility and records, with the assistance of the Inventory, Cultivation, and General Manager.

Security Manager

The Security Manager and team are responsible for overseeing the safety of our employees, assets, and overall facility. This includes real-time monitoring of the site through security feeds, physically patrolling the grounds, and managing all employee and visitor/vendor badges. They are also responsible for ensuring that all security related equipment is functional; replacing equipment or scheduling maintenance as soon as discovered.

Maintenance Manager

The Maintenance Manager and team are responsible for upkeep of the facility and its equipment. They maintain the equipment inventory for replacement parts and necessary tools. Additionally, they are responsible for maintaining sanitation protocols both in the interior and exterior of the facility.

Review Schedule

As with any business, review schedules are essential to identifying trajectories toward long-term goals. They provide a comparison from report to report, showing changes over time and enable management to identify previously undetected issues only apparent through data analysis. Given our proposed structure, review groups are tasked by their relation to overall operations.

Weekly:

Involves the General Manager and management heads to review prior week's data, scheduling, and the status of any pending issues to be addressed and resolved. Data will include items such as financial expenditures by each department, physical inventory moved, and employee accolades or

demerits. Management heads will meet with their respective teams to convey relevant information, if applicable.

Monthly:

Involves the General Manager and management heads to review the prior months data, issues that arose and how they were resolved, unresolved issues, and the status of on-going projects. Monthly meetings will also look at regulatory climates and discuss requirements of implementing potential changes. The General Manager will also meet with the executive team to convey management meeting information, discuss critical items, and review finances.

Quarterly:

Involves the management heads, General Manager, executive team, and ownership group. Management teams are responsible for generating a quarterly report regarding their respective activities. This includes department spending, critical issues that arose and how they were solved, and a quarterly analysis on monthly reports. Quarterly reports are reviewed by the General Manager and executive team for accuracy and identifying items of particular note. Summary quarterly reports are then provided by the executive team to the ownership group for review and discussion.

Yearly:

Management heads are responsible for compiling quarterly reports and providing a yearly report analysis for their respective departments to the General Manager. The General Manager and executive team will review the department yearly reports and generate a master yearly report and analysis. The executive team will present the yearly report to the ownership group to discuss how the year's goals were met, how they aligned with expectations, and what is expected for the following year.

Additional Reports

Other additional reports are expected throughout the year and can vary in schedule from department to department.

Cultivation:

As the primary function of our company and the key to producing revenue, the cultivation department is expected to be reviewing data and feedback on a daily basis. They are expected to generate reports on a weekly basis as to the progress of plant health and growth, resources used (such as nutrient amount), financial expenditure, mechanical checks, and other issues that may have arisen. These weekly reports serve as the basis for the monthly and yearly reports.

Inventory:

Until our products reach their final destination of another cultivator, infuser, or dispensary, we are responsible for the tracking and safety of all cannabis and cannabis-infused products produced at

our facility. The Inventory Manager is expected to be monitoring inventory on a real-time basis. This includes being able to identify the route position of all in-transit shipments, plants and cannabis flower or infused products on-site, and production resources such as nutrients and approved sprays. Inventory is tracked through a combination of barcode and RFID scanning.

Each shipment is carefully evaluated before and after, with reports being generated on per shipment basis with bi-weekly compiling for deeper analysis. Reports should look at how much product in weight and value was moved, how much was shipped, how much was destroyed, and compare against the values recorded with the state track and trace system.

Compliance:

To ensure we are meeting all regulatory and operational requirements the Quality Assurance Manager is expected to be conducting both scheduled and unscheduled compliance audits throughout the year. Scheduled audits occur on a quarterly basis with three unscheduled audits a year. Audits are approached by evaluating existing operational compliance, from the lens of an inspector. As such, they do not include the notations and remedies for prior single-event issues. Audit results are to be included in the quarterly report along with single-event information, and in the yearly report.

Certain events may trigger audits to occur prior to schedule. These events include:

- State regulatory changes
- Local regulatory changes
- Product loss event
- Theft event

If an audit is triggered within 15 days of a scheduled audit, it will serve as part of the quarterly audit with post-harvest information.

Compliance

Compliance is the key to making the cannabis industry possible in any state. It ensures that everyone, medicinal and recreational users alike, can enjoy products that are guaranteed to have been tested to the highest standards. Compliance also ensures that no licensed operator is garnering an unfair advantage over other license holders by remitting less in excise taxes. Taxes that ultimately help bolster local economies and state infrastructure.

As an operator in a highly regulated market, we understand that we are subject to recurring inspections by both state and local officials. It is our responsibility as operators to allow and facilitate those inspections whenever they may arise. To ensure we are always operating within the regulatory parameters we approach compliance as a mentality, not just a requirement. This means it's built into our operating procedures and implementation from the get-go. The following is an acknowledgment of the regulations and requirements we will be expected to adhere to should we encounter changes in our operations.

Records:

We will maintain detailed and concise records on-site for a period of no less than five years. These records will include the following:

- The date of each sale or distribution to a cannabis organization;
- The name, address and registration number of the cannabis organization;
- The item number, product name (description), and quantity of cannabis and cannabis-infused products registered by the MRA and sold or otherwise distributed to the cannabis organization;
- The price charged and the amount received for the cannabis and cannabis-infused products from the cannabis organization;
- If the distribution was for a purpose other than sale, the reason for the distribution;
- The quantity and form of cannabis maintained at the grower on a daily basis; and
- The amount of plants being grown at the grower on a daily basis.

Additionally, we will maintain financial records which include the following:

- Purchase invoices, bills of lading, manifests, sales records, copies of bills of sale and any supporting documents, including the items and/or services purchased, from whom the items were purchased, and the date of purchase;
- Bank statements and canceled checks for all accounts relating to the grower;
- Accounting and tax records related to the grower;
- Records of all financial transactions related to the grower, including contracts and/or agreements for services performed or received that relate to the grower;
- All employee records, including training, education, discipline, etc.;
- Soil amendment, fertilizers, pesticides, or other crop production aids applied to the growing medium or plants or used in the process of growing cannabis;
- Production records, including:
 - o Planting, harvest and curing, weighing, destruction of cannabis, creating batches of cannabis-infused products, and packaging and labeling; and
- Disposal of cannabis, cannabis-infused products and waste materials associated with production.
- Records of each batch of extracts or cannabis-infused products made, including, at a minimum, the usable cannabis or trim, leaves, and other plant matter used (including the total weight of the base product used), any solvents or other compounds utilized, and the product type and the total weight of the end product produced (e.g., hash oil, shatter, tincture, infused dairy butter);
- Transportation records;
- Inventory records;
- Records of all samples sent to an independent testing lab and/or the MRA's lab and the quality assurance test results;
- All samples provided to anyone or any entity for any purpose; and,
- Records of any theft, loss or other unaccountability of any cannabis seedlings, clones, plants, trim or other plant material, extracts, cannabis-infused products, or other items containing cannabis.

Advertising:

As stated in the requirements, we will not engage in any advertising that meets the following criteria:

- Is false or misleading;
- Promotes overconsumption of cannabis or cannabis products;
- Depicts actual consumption of cannabis or related products;
- Depicts a person under 21 consuming cannabis;
- Makes and health, medicinal, or therapeutic claims about cannabis or cannabis-infused products;
- Includes the image of a cannabis leaf or bud; or,
- Includes any image design or likely to appeals to minors, including cartoons, toys, animals, or children, or any other likeness to images, characters, or phrases that is designed in any manner to be appealing to or encourage consumption of persons under 21 years of age.

In regard to the placement of advertisements, we agree to not place any in the following areas:

- Within 1,000 feet of a school, playground, recreation center, childcare, public park or library, or arcade;
- Public transit or shelter;
- In or on public property; or,
- In cannabis-based product giveaways or consumption games and competitions.

Emergency Events

When planning for long term operations we must consider the possibility of experiencing an emergency event. In the event of a local, state, federal emergency or natural disaster that has no prior warning the General Manager will immediately execute emergency protocols in the following order:

- Remove all vendors or visitors from the premises;
- Cease all operations and release all employees except for management;
- If time allows, store all in-process product and money in their storage rooms and safes;
- Otherwise, firmly secure all doors leading to or from plants and products;
- Release all remaining employees and note the time of final exit from the premises;
- Monitor security footage remotely, if possible, until such time that the emergency has been lifted and the General Manager is able to return and evaluate potential damage.

A natural disaster often comes with forewarning, at a minimum of several hours. In this instance, our dispensary will execute the same protocols as above but over the course of hours and not minutes. Managers will enlist the assistance of employees to initiate closing procedures as if an end of the day closure, should time allow.

After any occurrence of initiating emergency protocols which result in temporarily ceasing operations the General Manager and Security Manager is required to execute the following before reopening:

- If structural damage has occurred to the premises, immediately notify the police and the MRA to account for all plants and product that may no longer be secure;
- If no visible exterior structural damage, verify that all means of entry, including windows, have not been opened by force;
- Verify no interior damage has occurred;
- Verify all product, cash, and equipment was not disturbed; and,
- Notify the MRA of findings and intent to resume operations.

COVID-19 Preparedness & Response Plan

The following COVID-19 preparedness & response plan has been established in accordance with MIOSHA Emergency Rules for Coronavirus disease 2019 (COVID-19). The purpose of this plan is to minimize or eliminate employee exposure to SARS-CoV-2.

The Emergency Rules have general safeguards applicable for all workplaces we have read these emergency rules carefully, developed the safeguards based on its type of business or operation, and has incorporated those safeguards into this COVID-19 preparedness and response plan.

We have designated one or more worksite COVID-19 safety coordinator to implement, monitor, and report on the COVID-19 control strategies developed in this plan. The supervisor will remain on-site at all times when employees are present on site. An on-site employee may be designated to perform the COVID-19 safety coordinator role.

The plan will be made readily available to our employees and their representatives. The plan will be made available via internal network and/or hard copy.

Employee or Management Replacement

In the event of the immediate termination of an employee or manager, the General Manager will coordinate with the executive team to immediately begin sourcing for a replacement. As our first measure we will review any resumes that may have already been submitted to us; otherwise known as a resume bank. After a general review of resumes on file, Human Resources will determine whether to proceed with having recruiters actively source for new hires. When sourcing for a replacement after a sudden termination or loss of an employee it is crucial to identify individuals with existing hands-on experience in a cultivation environment or experience directly related to their role.

Financial Feasibility

Second only to licensing and regulatory requirements, financial requirements are the largest barrier to entry for the industry. Indoor cultivation sites demand greater capital investments due to their extremely high startup costs and a much slower rate of return on the initial investment. Cultivation operations are also, comparatively, the highest risk license with the lowest fault tolerance. The reason for this is that the primary commodity in question, cannabis flower, is a naturally deteriorating organic compound that spends most of its life exposed on the plant rather than in isolated and protective packaging. It is susceptible to natural diseases, sensitive to trauma, and easily ruined by bugs or microbiologicals. The implementation of indoor cultivation greatly reduces this risk, shielding it from the elements and undesirable pests. The use of hydroponic cultivation also further reduces the risk of introducing unseen factors; as soil can carry eggs or larvae that later infect the crop. Environmental control assures consistent, premium grade cannabis but in turn increases the startup costs and on-going operational expenses.

In order to guarantee that we are able to meet and maintain the financial responsibilities involved in cultivation, we have prepared an analysis that evaluates the required elements of becoming operational. This analysis determines the initial startup cost, our expected long-term commitments, and our ability to meet them.

Capital Expenses (CAPEX)

CAPEX is the capital required to buy, maintain, or improve our fixed assets; such as our building, equipment, and land. In order to make the site suitable for our uses and within the expectations of state and local compliance, some additional work and remodeling will be required. Our buildout plan is divided into two parts: exterior and interior.

Exterior

Exterior modifications include alterations to the parking area, surrounding property, and the exterior of the building. For parking and the surrounding property our primary concern are areas in which water may pool together to allow standing water. While seemingly not an issue, standing water can create a breeding ground for pests. We are confident in our sanitation and sterilization protocols to prevent an unwanted intrusion; however, it falls within our due diligence to implement changes before problems can arise. To address this, we will be leveling ground and adding drainage as needed to the site. Pest prevention is also addressed through keeping grass trimmed and removing certain shrubs that can attract bugs. Some bushes may be removed due to security risks, as they can create an unwanted screen for individuals to hide behind out of line of sight from security monitors.

Through our functional and beautification efforts of the sites exterior, we'll also enhance the landscaping on the property. The landscaping at the site will be maintained by our site manager and we plan to work with local landscaping companies in the event of any modifications to the current layout.



Additional exterior modifications can include the addition of lamp posts, ADA ramps, fresh coats of paint to the building, and new trim. We feel confident that with our proposed modifications and on-going maintenance, our site will maintain a suitable standard for our neighbors, and will adhere local ordinances.

Interior

Interior modifications will constitute the majority of our necessary changes. These changes include items such as the addition or removal of stud bearing walls, windows, insulation, paint and tiling, updating electrical wiring and breakers, general lighting installation, ventilation, sprinklers and monoxide detectors, HVAC, environmental controls, water hookups, drains, fire doors, storage lockers, and reinforced storage for cannabis products.

Buildout costs only cover the physical modifications made to the building or property, they do not cover costs for operational or compliance equipment. Under CAPEX, these are defined as initial non-repeating costs.

These additional costs include:

- Growing & Harvest Equipment
 - Water pumps
 - Hosing
 - Pots
 - Trays
 - RFID readers
 - Netting

- Shears
- Buckers
- Lighting System
 - Fixtures
 - Chain
 - Main unit
 - Extension cords
 - Installation
- Odor Control
 - Carbon filter units
 - Deodorizers
- Alarm & Security System
 - Central device
 - Door and window contacts
 - ID scanner
 - Installation
- Video & Camera System
 - Video cameras & spares
 - Security monitors
 - Recording storage and backup
 - Installation
- Computer System
 - Main unit
 - Server
 - Workstations
 - Installation
- Backup power unit
 - Unit
 - Installation

Operational Expenses (OPEX)

Cost of Goods Sold (COGS)

As discussed previously, cultivation is a cost intensive operation. Cost of Goods Sold, referred to as COGS, is defined as the direct costs of producing our products. For calculating these direct costs, we considered the following items:

- Cultivation Electricity
- Cultivation Water
- Growing Solutions
- Seeds/Clones

- Trimming & Packaging
- Storage & Transport
- Lab Testing

Selling, General, and Administrative (SG&A) Expenses

The following are the considerations included in our SG&A, which is defined as the sum of all direct and indirect selling expenses, and general and administrative expenses. More simply, these are costs not directly tied to creating our products. Our SG&A is broken down by the following:

G&A Expenses – Initial & General Costs

- Legal Fees & Licensing for setting up
- Website/Ecommerce platform development
- Other initial expenses
- Licensing, renewal
- Professional fees, Insurance
- Other general expenses

G&A Expenses – Cultivation

- Building Rent or Mortgage
- Building Maintenance, including utilities (non-production)
- Equipment Maintenance
- Administrative expenses, including phone and internet
- Inventory Control Systems, Security & Other Software Services
- Community Service (% of sales)

SG&A Expenses – Marketing & Sales Expenses

- PR, Branding, Online and Offline advertising

Senior Management Salaries & Benefits

- Chief Executive Officer
- Chief Financial Officer
- Human Resources
- General Manager

IT Salaries & Benefits

- IT Specialists

Other Salaries & Benefits

- Cultivation Manager
- Security Manager
- Inventory Control Manager

- Quality Assurance Manager
- Lead Cultivation Agent
- Harvest Team Lead

SG&A Expenses – Misc.

- 5% of SG&A Expenses minus first-year-only costs such as application fees

Experience

Experience in Cultivation

In order to ensure production of consistent and quality cannabis, we will also rely on the expertise of our cultivation expert. Their cultivation system enables operators to produce two pounds of dried, cured marijuana per 1000 watts, an industry-leading measure of productivity for indoor cultivators.

The process of cultivating cannabis is time-intensive, with the full plant life cycle taking over five months from clone to cure. Each stage in the cultivation process contains a series of critical steps that must be carefully followed in order to produce high-quality, consistent plant material. As a result of the consulting relationship, we have access to proven standard operating procedures (SOPs) that outline, in detail, each step of the cultivation process, and the hands-on support required to properly implement them. Adapted to be compliant with State regulations, these SOPs will outline the following for our cultivation team:

- The purpose of the policy, including a clear summary of the SOP and the associated company policy for proper execution.
- Required staffing and tasking assignments.
- The process workflow outlined in step-by-step chronological manner.
- Management and employee sign-off, noting the fulfillment of training and understanding of the SOP for personnel files.

Sample cultivation SOPs that will be made available to us:

- Contact Surface Cleaning
- Container Cleaning
- Cloning
- Clone Maintenance
- Curing
- Drying
- Foliar Nutrient Treatments
- Foliar Pesticide Treatments
- Harvesting Plants
- Integrated Pest Management Policy
- Mixing Nutrients
- Netting Tables
- Personnel Hygiene Policy
- Populating Flower Rooms
- Recalls

- Receiving
- Room Sanitation
- Scouting Plants
- Shipping
- Topping and Pruning
- Trim Machine Cleaning
- Trimming
- Visitor Access
- Waste Disposal
- Watering Plants

Likelihood of Success

We understand that operating a successful commercial cannabis facility requires the ability to consistently and efficiently cultivate high quality cannabis, paying the utmost attention to consumer, public, and product safety. We will deploy production control measures that allow for flexible scalability, increasing or decreasing production promptly and efficiently to meet consumer demand. We have identified the following potential risk factors of operating a cultivation facility:

- High cost of facility buildout, including:
 - construction materials
 - cultivation equipment
 - electrical gear
 - mechanical gear
 - utility upgrades
 - contract labor
- Lack of hands-on commercial cultivation experience within the ownership group;
- Lack of proven commercial cultivation standard operating procedures; and
- Potential shortage of locally trained workforce.

To mitigate these risk factors and improve likelihood of success, we have vetted leading industry operators and consultants from US state markets with comparable regulated cannabis programs. We sought out licensed operators who have demonstrated proven operational success, along with the ability to address and mitigate the aforementioned risk factors. As it may take significant time and resources to acquire and maintain licensing, compliance, and demonstrate operational proficiency within a state cannabis program, there were few qualified candidates who met our criteria.

Timetable

We anticipate requiring 9-10 months from the moment we are awarded a special land use approval to our first day of operation. We anticipate an additional 5-6 months before our first harvest is ready for transport to other license holders. This assumes margin for minor setbacks but no major delays. We will make every effort to become operational within the 9 months. The following sections review the factors accounted for to reach that estimate.

Phase 1 – Local Approval

In order to receive local approval, we are required to complete the review process for a Special Land Use Approval and then submit for a City Business License. These are mandated by local ordinance. Submissions will be completed concurrently to reduce the requisite completion time.

Special Permit: 60 days

The Special Permit process is typically reserved for projects that meet specific thresholds, such as size or excessive power need, or are uniquely required through ordinance. Much like the Site Plan, the process requires the preparation and submission of our intended operation; however, this focuses on impacts to things such as traffic and the community. As part of the Special Permit process, we are required to present to the town council during a public hearing as an opportunity for opponents to voice their opinions and concerns.

Phase 2 – Facility Preparation

Initial Facility Design and Setup: 2-4 weeks

Following local safety inspections of the completed buildout, we can finalize any pending orders for equipment to become operational. This includes security cameras, alarms, growing equipment, lighting equipment, computers, tracking systems, and more. Time includes setup and installation. During this time, employees will proceed with any state or company required training. Once the facility is poised for operation, we will arrange for final state inspection.

Construction: 9 Months

Following local approval of our project, we will be authorized to immediately commence construction of the proposed site. Construction will include any potential leveling, clearing, or grading required as approved by the municipality. Facility rooms will be designed and constructed to meet the security parameters set by the State. Cultivation production rooms will be assigned by growing phase, for example, clones/cuttings, vegetative (veg), flowering, transplanting, harvesting, and curing. Post-production areas include harvesting, drying, curing, testing, packaging, storage, and shipping. Cured flowers will be stored in a secure storage area until ready for packaging. A separate area is dedicated to labeling, packaging, and shipping. Disposal will take place in a segregated, limited-access area dependent on set security protocols. After the

construction is complete, we will proceed with final local safety inspections.

Following local safety inspections of the completed buildout, we can finalize any pending orders for equipment to become operational. This includes security cameras, alarms, growing equipment, lighting equipment, computers, tracking systems, and more. Time includes setup and installation. During this time, employees will proceed with any state or company required training. Once the facility is poised for operation, we will arrange for final inspection for Certificate of Occupancy and receive a City Business License.

Phase 3 –State Approval

Upon issuance of a Certificate of Occupancy and City Business License, we will immediately submit for Step 2 of the MRA Facility Application. This will allow us to conduct Fire and Safety inspections along with MRA Regulatory and Compliance inspections. Upon the approval of the inspections, we will receive our State Business License, which will allow us to begin operations.

Phase 4 – Propagation & Cultivation

The total cultivation production schedule is just over 5 months, with a variable timeline for product testing and outbound shipping to a licensed dispensary or processor.

Day 1 - Day 14 (est.)

Stage of Production: Cloning and Clone Maintenance

Purpose: To create new immature cannabis plants (clones) by taking cuttings of select vegetative plants and encouraging root growth and development. Retention of certain genetic strain traits is key and can be accomplished through effective cloning methods.

Day 14 (est.)

Stage of Production: Transplant Clones and Begin Vegetative Growth Phase

Purpose: To move clones out of their original 1.5” x 1.5” mineral wool cubes within the clone dome into larger 4” x 4” mineral wool cubes, stimulating additional root growth. A very sensitive and fragile step that should be executed with the utmost care.

Day 28 (est.)

Stage of Production: Final Transplant (Mineral Wool Cubes to 7-Gallon Pot)

Purpose: To develop maximum root growth on young plants that have completed their initial rooting and begun their early vegetative process before transitioning them into the flowering phase.

Day 28 - Day 46 (est.)

Stage of Production: Vegetative Plant Maintenance (Scouting, Tending, Feeding)

Purpose: Maintain the health and optimal environment of the vegetative room(s) and plants.

Day 28 - Day 46 (est.)

Stage of Production: Vegetative Plant Pruning / Topping

Purpose: Allows a cultivation team to shape plants, encouraging them to grow to a specific size and shape. Facilitates a quicker and more efficient vegetative cycle. Topping (cutting off the very top of the plant) encourages plants to grow wide instead of tall, creating an even canopy, creates node sites, and optimizing grow space within the plant block. This fills the canopy, maximizing yield per light. Pruning low-hanging leaves and branches from the bottom up, ensures that plant material does not touch the grow medium while also encouraging upward growth.

Day 46 (est.)

Stage of Production: Transition to Flowering Phase

Purpose: To move plants from a vegetative phase to a flowering phase, where they will begin to produce flowers, or “buds.”

Day 46 - Day 116 (est.)

Stage of Production: Flowering Plant Maintenance (Scouting, Tending, Feeding)

Purpose: Maintain the health and environmental balance of the flowering room(s) and plants.

Day 116 (est.)

Stage of Production: Harvest

Purpose: To harvest mature cannabis plants.

Day 116 - Day 126 (est.)

Stage of Production: Drying Process

Purpose: To remove excess moisture from trimmed cannabis flower.

Day 126 (est.)

Stage of Production: Trimming Process

Purpose: Remove stems and fan leaves from plants and efficiently trim them to collect finished buds and tight trim for processing.

Day 126 - Day 154 (est.)

Stage of Production: Curing Process

Purpose: To prepare dry cannabis buds for consumption through prolonged, controlled ventilation (curing), yielding a consistent moisture content throughout the plant material and drastically improving the terpene profile and flavor of the cannabis.

Day to be Determined (est. based upon lab testing party pickup)

Stage of Production: Testing

Purpose: To set aside a sample of finished cannabis for required State testing.

Day 155 - Day 156 (est. based upon completed lab testing)

Stage of Production: Batching Process

Purpose: To batch all plant material of the same variety of cannabis according to State regulatory requirements.

Day to be Determined (est. based upon order placed)

Stage of Production: Shipping to Licensed Cannabis Facility

Purpose: To prepare an outbound shipment to a licensed cannabis facility.

Market Demand, Safety, and Impact

As seen throughout our facility design considerations, and the combination of our experience and strategic relationships, we have the ability to meet consumer demand in a safe and efficient manner with minimal impact on the environment or surrounding community. We will achieve this by following our standard operating procedures (SOPs), based on leading industry best practices, that cover every step of cultivation, harvest, and facility control. These SOPs, as seen in our Operations and Management Plan, will ensure the secure, safe, and sustainable cultivation of cannabis by providing step-by-step facility instructions. These instructions also serve as guidelines for personnel conduct and quality assurance checks.

The combination of these operational procedures and a VCCH approach means we will be able to supply a steady stream of product to the market to meet consumer demand; with the only limitation being our allowed canopy space. In meeting this demand, we are mindful of the impacts that cannabis cultivation can have on both the environment and the local community. We feel that our strategies will meet and exceed the expectations set forth for achieving this goal.

SOP Approach

For our standard operating procedures, each process will have a separate SOP based on its unique tasks and workflow. By establishing replicable and thorough approaches to each operational task we can greatly reduce the risk of error, diversion, or non-compliance. The core of the SOP details the full procedure in a step-by-step chronological manner. SOPs will be available as a physical hardcopy maintained onsite for immediate reference and state inspections as well as electronically. The Quality Assurance Manager (QAM) will be responsible for maintaining and updating both hardcopy and electronic versions of the SOP manual. The QAM will approve and document all SOP changes on a master change log, keeping a chronological record of all significant process changes, the reason for the change, (such as new regulations), the date the change was executed, and the QAM's initials indicating their final approval.

Recordkeeping and Audits

As part of our SOPs, discussed in further detail in our Operations and Management Plan, we will be maintaining vigilant and detailed records, with regular inventory and operational audits. These audits or reviews vary by subject but include daily, weekly, monthly, quarterly, and yearly reports. This constant review of inventory and operation metrics will ensure that we are able to identify any safety or production concerns before they become an actual issue.

Variable Capacity, Continuous Harvest (VCCH)

VCCH is a manufacturing approach to growing cannabis that creates a continuous flow of product throughout the year with the ability to scale production up or down to meet changing market needs and demands. It is important in developing cannabis states to ensure supply meets increased

market demands. Implementing a VCCH system at the onset of production will ensure a continuing inventory with minimal impact to the initial and subsequent supply chain.

Facility design and organization are critical for maintaining consistent procedures that produce reliable results. Our operations will take a clinical approach to cultivation, utilizing room design concepts that support clean, sterile growing environments. The facility, as shown, will be designed and organized to support effective workflow and to remove production bottlenecks.

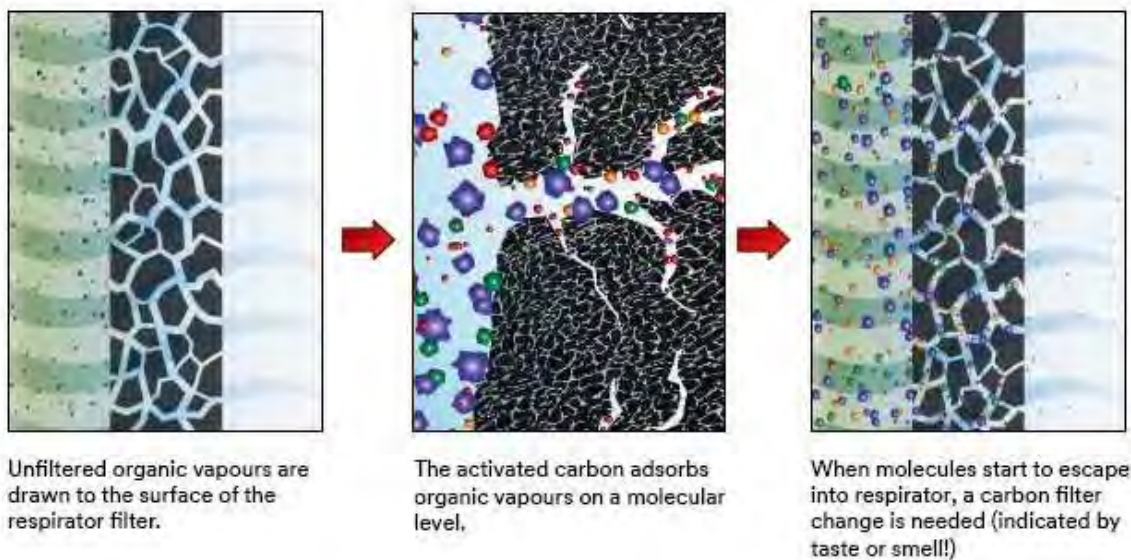
To promote effective production control, we must ensure proper hiring, training, and developing staff members; then utilize that staff efficiently. By using financial projections and conservative production capacities, we can forecast the number of employees required to staff the facility. We will create a business culture where employees will be experts in their trained position. Exceptional staff will be cross trained across all departments to create a well-rounded, interchangeable employee workforce.

Odor Management

As part of our commitment to a positive community impact, we have developed odor mitigation strategies to minimize cannabis smells being emitted by the cultivation facility.

We have considered potential impacts to neighboring properties during site selection, facility design, and development SOPs. Both primary and secondary systems will be installed within the cultivation to reduce detectable odors outside the facility.

We will deploy four carbon filters per flower room along with additional carbon filters in the secondary HVAC systems. The following figures explain the carbon filters and the process of eliminating odors. We will also have an on-call HVAC Specialist that will be available within 24 hours from a known issue.





Reducing Known Odor Sources

Propagation - During the propagation stage, young plants are created from cuttings or “clones” of existing plants in the company’s inventory. Very little odor will be emitted in this stage, primarily during the cutting process. All activities will be conducted with the entrance to this room closed to minimize odors escaping into the adjacent hallway. All tables and surfaces that come in direct contact with cannabis will be cleaned and disinfected immediately after use to prevent build-up of residue and potential odors. All non-contact surfaces in this room will be cleaned and disinfected on a weekly basis. Due to the minimal odor emissions at this stage, the propagation room will rely on the HVAC supplemental filtration methods specified by the engineer to mitigate any odors that enter the ventilation system.

Vegetative - During vegetative growth, very little odor is emitted. All activities will be conducted with the entrance to this room closed to minimize odors escaping into the adjacent hallway. All tables and surfaces that come in direct contact with cannabis will be cleaned and disinfected immediately after use to prevent build-up of residue and potential odors. All non-contact surfaces in this room will be cleaned and disinfected on a weekly basis. Due to the minimal odor emissions at this stage, the vegetative room will rely on the HVAC supplemental filtration methods specified by the engineer to mitigate any odors that enter the ventilation system.

Flowering - In these rooms, plants receive 12 hours of light and 12 hours of darkness to induce flowering. The plants will initially generate minimal odor, but this will become more pronounced as the plants approach maturity. All activities will take place with the entrance to the room closed

to prevent odors from entering the adjacent hallway. Each flowering room will also feature a filter affixed to the inlet of its HVAC system that uses activated charcoal to absorb most odors. While carbon filters have been shown to be one of the most effective methods of reducing odors, they do not remove 100% of the pollutants that pass through them; the supplemental filtration installed in the primary HVAC system will remove remaining odors that aren't absorbed by the activated carbon filters, rendering the exhausted air free of any detectable odor.

Corridors - Within the corridors, there will be filters affixed to an inline fan that uses activated charcoal to absorb most odors displaced by flower room doors opening and closing. Minimal odor can result from the movement in and out of the flower rooms, and we will rely on the supplemental filtration installed in the primary HVAC system to remove any odors.

Cure - Within the cure room, harvested flowers and trimmings are dried on exposed racks for a period of 2-5 days and then placed into sealed curing tubs for another 10-20 days. The cure room is an isolated, secure and contaminant free room specifically designed and equipped to maintain constant temperature, humidity, and air circulation. The cure room will also feature a filter affixed to the inlet of its HVAC system that uses activated charcoal to absorb most odors. Moderate odor can result from the cure process, and we will rely on the supplemental filtration installed in the primary HVAC system to remove any odors.

Packaging - Within the packaging station, dried flower is separated according to bud size and placed into either bulk or retail packaging. Mild odor is emitted during the packaging process, as the cured cannabis is agitated during packaging. This also results in a small amount of particulate matter being released, which can contribute to the odors emitted. The packaging room will be equipped with an activated carbon filter, similar to those used in the other more odor-intensive rooms. The activated carbon filter will absorb a large portion of the odors emitted during packaging, and features a pre-filter designed to collect particulate matter.

Storage – Odors should be minimal in designated storage areas but may be elevated at times due to potentially open product containers being held in the designated quarantine area. Employees will be trained to place open containers of quarantined products into resealable plastic (Ziploc) bags, and immediately close all containers in the storage area to minimize odor. The storage room will also be equipped with an activated carbon filter.

Service and Maintenance

Employees will be instructed on the routine maintenance of pre-filters and carbon filters during orientation and training. Employees will learn how to disassemble pre-filters and carbon filters for inspection and proper maintenance, along with proper removal and reinstallation.

All filters and pre-filters will be tagged to identify the employee that installed the device, the date and time of the replacement, and the date by which the device should be replaced. Service and maintenance records will be maintained for all serviceable items in the odor control system. These records will contain:

- Date and time of service;
- Service performed;
- Name of individual performing the service; and,
- Unit number or device number serviced.

Odor Complaints and Troubleshooting

We have developed SOPs to manage complaints or system malfunctions should they arise. As part of routine facility inspections, our Quality Assurance Manager (QAM) will walk around the perimeter of the facility to confirm there are no detectable odors being emitted.

Should any odor be detected, the QAM will record the issue in their inspection notes including the location the odor was detected.

If we receive a complaint of odors being emitted from the facility, the QAM will complete a complaint form to document the incident and begin the investigation and resolution process. Once the form has been completed, it will be immediately provided to the GM and Maintenance Manager. The complaint form will include:

- Date and time of complaint,
- Name of the individual making the complaint,
- Description of the complaint, and
- Name and badge number of the employee recording the complaint.

Once an odor mitigation concern has been identified, the Maintenance Manager will follow a diagnostic process to pinpoint the possible source of the odors, complete mitigation procedures (such as repair or replacement of equipment) and confirm the repair has resolved the issue.

Consideration of Safety

CO2 Supplementation

As a part of photosynthesis, plants “breathe” in CO₂, and using light, plants convert this gas into energy. Therefore, it is essential to provide CO₂ to cannabis plants for growth, especially during the more energy-intensive flowering phase. If not carefully monitored, however, CO₂ augmentation can pose a serious threat to occupants once levels are above 30,000 PPM. Each Flower Room will be provided with a sophisticated redundant CO₂ distribution system that will be designed to maintain CO₂ levels at 1600 PPM for flowering plants. To ensure occupant health and safety, all flower rooms will be equipped with a CO₂ monitoring and purge system to automatically detect and remedy a potentially serious condition associated with abnormally high levels of CO₂. This system will be set to alarm at 5000 PPM. In the event of a CO₂ alarm in an individual flower room, the Building Automation/Energy Management system will activate that room’s CO₂ purge sequence which enables an alarm/strobe, rapidly introduces outdoor air, and energizes a CO₂ purge exhaust fan to alleviate the high levels of CO₂ and return the room to

normal operation as quickly as possible to minimize the impact to crop yield. This alarm will trigger an emergency exhaust system to evacuate the air inside the room and purge it to the exterior of the facility. The exhaust fan in this purge sequence will be outfitted with a carbon filter to absorb odor in these instances.

Life Safety Features

Corridors, aisles, and all other paths of circulation will be kept clear of obstructions at all times to facilitate ease of egress. Each production area will maintain an open aisle on all sides of each plant group to allow for unobstructed travel around each plant group. Doors to cultivation rooms, work rooms, and other production areas will be equipped with emergency push-latch door hardware and will swing out of the room into a path of egress, in case of emergency. If an emergency warning is issued, a distinct signal will be broadcast, and occupants will move to shelter. The Vault Room, which is located off an exterior wall and constructed of robust reinforced materials, will be designated as the facility's emergency shelter.

Strobe and horn (audio/visual) alarms, smoke detectors, sprinklers, fire extinguishers, fire alarm pulls, lit exit signs and the like will be installed throughout the facility in accordance with all applicable code. If the local authority having jurisdiction requires emergency lighting, strobes, and lit exit signage to be located within cultivation rooms, these will utilize a green-spectrum light source, so plant photoperiod is not interrupted. If the plant photoperiod is interrupted through light absorption, plants will become stressed, which could decrease harvest yield and weaken cannabinoid content. Therefore, green-spectrum light, whose light waves reflect off of plant material, will be used in these instances to avoid disturbing sleeping plants.

During power outages, adequate emergency lighting will be installed in all storage areas, work areas, and staff areas. In these instances, a portion of grow lamps in each cultivation room will have the capability to run on a generator, in accordance with the facility's cultivation room lighting schedule, so that plant photoperiods are maintained in each cultivation room, and so that adequate emergency lighting is achieved for occupants.

Chemical Handling

The cultivation facility will have a dedicated, locked room or closet for storage of authorized toxic cleaning compounds, sanitizing agents, solvents, chemicals and chemical pesticides, and will be stored in a manner that protects against contamination of cannabis. Eye wash stations will be installed in the Plant Work and Water Supply Management areas, where employees will come into frequent contact with authorized toxic cleaning compounds, sanitizing agents, solvents, chemicals and pesticides. Additional eye wash stations and hand washing stations will be placed throughout the rest of the facility to meet locally enforced code requirements.

Building Materials

The facility's structural elements, wall materials, ceiling materials, floor materials, material finishes, and all other building materials will be adequately fire-rated as required. Walls and ceilings of rooms where cannabis plants or cannabis products are located will be finished with Class A fire-rated panels. Floors throughout the cultivation area will be finished with a penetrating, water-resistant, slip-resistant concrete sealant, except at the Plant Work and Water Supply Management areas, which will have floors with a cementitious urethane or a liquid rubber coating for superior, durable slip resistance.

Signage

To provide visual aids for workers in the event of an emergency, we will use interior signage throughout our facility to clearly identify all points of ingress, egress and passage between limited access areas. All signage will be easily observed by the State and its authorized agents, and by law enforcement. We will post signage in a conspicuous location at each entrance of the facility that reads: "PERSONS UNDER 21 YEARS OF AGE NOT PERMITTED ON THESE PREMISES". We will also post a sign in a conspicuous location at each entrance of the facility that reads: "THESE PREMISES ARE UNDER CONSTANT VIDEO SURVEILLANCE".

Consideration of Physical Security

The facility layout utilizes strategic compartmentalization to help control levels of access throughout the operation. There will be separate limited-access areas in the facility for cultivation, post-harvest, manufacturing, and distribution operations. All four areas of operation will be physically segregated from one another. Employee access to the cultivation and manufacturing areas will be achieved once they are past the main entrance area. Access to the post-harvest area and distribution area will be shared between the cultivation and manufacturing areas and will only be accessible from these areas. The post-harvest rooms, which will hold cannabis product in its final drying and curing stages, prior to manufacturing, packaging and shipping, will not be located on an exterior wall.

In addition to interior physical segregation of our four areas of operation, we also plan to add a exterior line of physical segregation around the main entrances inclusive of main doors and vehicle throughways to enter to site. We will build a 8 foot black chain link fence around the main access points of the building of which will include automated electronic gates. The City of Marshall will have direct access to our electronic gates and in our go-forward commitment to the Director of Public Safety we will ensure the keys or codes are shared within 24 hours of amendment. With our proposed fence, we will add an additional layer to the safety of our site, staff, product, and negative perpetrators.

Consideration of Labor

The facility design will take manpower into consideration and the flow of workspaces will be conducive to a well-run operation. Room functions, room sizes, and room organization in the cultivation area will be designed to avoid production bottlenecks. Flowering and vegetative rooms will be reasonably sized for the balance of labor related to the harvest cycle rhythm. This will ensure that critical, time-sensitive cultivation projects can be reasonably achieved in one workday. Adequate open workspaces will be included throughout the cultivation area. Workspaces will be provided with all necessary equipment, tools, supplies and work surfaces to support operational procedures.

Cultivation rooms, or production areas, will maintain an open aisle on all sides of each plant group to allow for unobstructed travel, observation and inventory of each plant group. In addition, growing surfaces will lift plants up to an adequate, ergonomic work height to efficiently complete these tasks. The tops of growing surfaces will have the ability to roll up to 16 inches, lengthwise, to achieve additional clearances as needed. Growing surfaces will include trellis net support stanchions to ease scrogging practices in the flowering phase. Green-spectrum lighting solutions will be supplied in all cultivation rooms and their associated corridors so that staff can enter cultivation rooms at any given time without disturbing plant photoperiod and have an adequate amount of light to perform tasks.

Wide corridors will connect all cultivation rooms together, allowing for easier circulation of workers, material and products. Staff support areas, such as offices, break rooms, training rooms, and other administrative areas will be provided and conveniently placed. Employees will be provided adequate and readily accessible toilet facilities that are maintained in a sanitary condition and good repair. Changing rooms will be incorporated to ease decontamination practices and ensure complete privacy for staff.

Consideration of Storage

Proper facility storage requires strategic planning to minimize the risk of theft, diversion, unauthorized access, mishandling of sensitive materials, manipulation of inventory controls, cross-contamination, and spoilage of harvested marijuana. The facility design will allow for the segregation of materials, products, and their components to minimize confusion and potential errors. Storage areas will be provided with adequate lighting, ventilation, temperature, humidity, space, and equipment to assure product quality. Cannabis inventory will be stored in a secure, limited-access area.

The distribution area will have a large shipping and receiving bay, which will be enclosed, secure, and out of public view. In close proximity there will be an area dedicated to pallet storage for received raw materials. Steel industrial shelving units will be used to store pallets of grow media, pots, nutrients and other consumables. Within the cultivation area, there will be a storage room

designated for cultivation supplies, which will be used to store smaller tools and products and provide easy access to pallets that have been broken down. A dedicated closet will be designated for authorized pesticide storage in the cultivation area. Within this closet, segregated racks will be provided so that preventative pesticides can be segregated from reactive pesticides.

Our facility will have a segregated, locked, limited access Plant Quarantine room used to store cannabis seeds, clones, plants or products which are contaminated. We will have an additional segregated, locked, limited-access Plant Waste room which will act as a plant waste collection point. This room will house secure green waste receptacles. All cannabis that is deemed expired, damaged, deteriorated, mislabeled, recalled, or whose containers or packaging have been opened or breached, will be stored in this room until they can be destroyed or otherwise legally disposed of. This area will also store any plant material that is considered waste, such as stalks, stems, dry and crispy leaves, topping and pruning material, and deficient clones and vegetative plants as they are awaiting disposal. The Plant Waste and Plant Quarantine rooms will be located adjacent to the distribution area, which is where cannabis plant waste will be rendered unusable by grinding and incorporating the cannabis plant waste with compostable mixed waste to be disposed.

Finished, packaged cannabis products will be stored in the Vault Room. This room will be adequate in size so that capacity is not exceeded. Product will be stored on food- and industrial-grade stainless steel shelving units. These units will be no less than six inches off the floor and away from walls. Shelving, racks, and tables will be NSF International certified. All monetary and legal tender acquired in exchange for finished cannabis products will be stored in a secured safe located in the Vault Room. When selecting a safe for secure storage, we intend to follow DEA Diversion Control and Controlled Substance Act (CSA) storage requirements to ensure safety and security. If the chosen safe weighs less than 750 lbs., it will be bolted or cemented to the floor in such a way that it cannot be removed. Physical records will be kept on-site in a locked file cabinet, in a secure limited-access area.

Operations and Management Plan

Recordkeeping Policies and Procedures

The General Manager (GM), supported by the Quality Assurance Manager (QAM), the Inventory Control Manager (ICM), and the Cultivation Manager will be responsible for proper recordkeeping and the ongoing management of facility and cultivation records. Records will be maintained and stored to ensure that locating information can be accomplished by anyone with appropriate authorization and that documents are easily accessible for investigative purposes. All physical records will be kept for a minimum of 5 years in a locked file cabinet in a secure, limited access area with keys granted only to designated employees. These records will be scanned regularly to create an electronic copy. Electronic information will then be backed-up on a secure data retention system to protect against loss.

Records maintained will include, but not be limited to:

- A copy of our state operating license, prominently displayed in the facility;
- Financial data that accounts for all transactions conducted at the facility;
- Inventory records, including transport manifests and audits;
- Security alarm records including visitor logs and video surveillance records;
- Personnel records;
- Sanitation and facility maintenance records;
- Cultivation production records, including nutrient feeding schedules and pesticide and chemical applications;
- Cannabis disposal;
- Transportation records,
- Sample testing and results;
- Theft and loss records;
- Recall and complaint records; and,
- Cultivation Standard Operating Procedures (SOPs).

Electronic Records Retention

All electronic records will be stored both onsite in short-term storage, and offsite, in long term backup. Onsite records storage may include electronic media that is backed up daily on a secure server. The secure server will be physically located in a limited access room on the premises. In general, on site backup storage will include at least five years of historical data. Remote data storage will include all data records that are at least one year and older. Sensitive files may be password protected or stored in a password protected file storage system.

Any electronic storage system used will:

- Guarantee the confidentiality of the information stored within.

- Provide safeguards against erasures and unauthorized changes in data after the information has been entered.
- Be able to place a litigation hold or enforce a records retention hold for purposes of conducting an investigation or in relation to ongoing litigation.
- Be reconstructable in the event of a computer malfunction or accident resulting in the destruction of the data bank.

Company files will never be stored in public internet spaces, including unsecured file storage sites. Emailing sensitive data files to anyone outside the company will be strictly prohibited without the permission of the GM. Customer-specific transaction data and contact information, including email addresses, will not be shared with any third-party without a customer’s consent.

Inventory Recordkeeping

The inventory tracking system will provide real-time tracking and accountability for all plants in the facility from seeds or clones, through each stage of the plant life cycle, to post-harvest preparation including trimming, drying, curing, batching, and packaging. Accountability within the system will include transaction level data that records every employee interaction with plants. This includes plant movement within the facility, nutrient feeding, pesticide application, cultivation notes, and testing results. Every action will appear on the plant history detail record with the associated time/date, user credentials, actions performed, and the status change details. At a minimum, all plants shall be physically inventoried once a week. We will maintain records for each of the following:

- The date of each sale or distribution to a cannabis organization;
- The name, address and registration number of the cannabis organization;
- The item number, product name (description), and quantity of cannabis and cannabis-infused products registered by the MRA and sold or otherwise distributed to the cannabis organization;
- The price charged and the amount received for the cannabis and cannabis-infused products from the cannabis organization;
- If the distribution was for a purpose other than sale, the reason for the distribution;
- The quantity and form of cannabis maintained at the grower on a daily basis; and,
- The amount of plants being grown at the grower on a daily basis.

Data entry access will be restricted to a limited number of employees to keep the information properly managed and limit the opportunity for unlawful diversion through manipulation of data or the software. The ICM will coordinate with the Cultivation Manager and GM to ensure individuals with approved access to the inventory tracking system are properly managing critical input points.

The following events will always be logged in the system:

- The sale or transfer of cannabis to or from another cannabis facility;

- The transport of cannabis to or from another cannabis facility; and,
- Disposal of cannabis.

Each of these transactions will include:

- Date of transaction or event;
- Employee identification number responsible for data entry;
- Identification number of receiving cannabis facility;
- Batch identification number; and,
- Plant identification number, if applicable.

The following inventory items will be maintained in the inventory tracking system and tagged with a unique identification number assigned for each:

- The number, weight and type of seeds (or clones);
- The number of immature cannabis plants;
- The number of cannabis plants;
- The number of cannabis products ready for sale;
- The number of damaged, defective, expired, or contaminated seeds, immature cannabis plants, cannabis plants and cannabis products awaiting disposal; and,
- Records of any theft, loss, or other unaccountability of any cannabis.

Inventory Audits

In addition to ongoing tracking in the inventory tracking system, we will implement inventory controls and procedures necessary to conduct regular and random inventory reviews and comprehensive inventory audits at the facility. Inventory audits will be conducted by no less than two authorized employees, led by the ICM with the support of the GM and authorized cultivation agents.

Reoccurring inventory audit reports will be documented in both written and electronic forms and provided to the GM for review and filing with the state for compliance. Reports will include the date of the audit, a summary of the inventory audit findings, and the names, signatures, and titles or positions of the individuals who conducted the inventory audit. Once a year, a complete and accurate record of all plant stock or products of cannabis on hand shall be prepared before or on the anniversary of our initial inventory audit.

Comprehensive weekly and monthly inventory audit reports will include:

- The date of the inventory audit;
- The amount of cannabis on hand:
 - The total count of plants, whether in the flowering, vegetative, or clone phase of growth and organized by room in which the plants are being grown;
 - The batch number, weight, and strain name associated with each batch at the facility that has been quarantined for testing or ready for sale; and,

- The total number of plants and every unique plant identifier that have been harvested but are not yet associated with a batch.
- The amount of cannabis sold since previous inventory, which will include:
 - The date of sale;
 - The license number and name of the facility to which the cannabis was sold; and,
 - The batch number, registered product name and quantity of cannabis sold.

Transport Manifest Records

Every shipment sent from or received by the facility will be tracked in detail by an accompanying transport manifest, generated from the inventory tracking system. Prior to transporting any cannabis, we will generate a transport manifest within the inventory tracking system. Two copies of each transport manifest will be printed the day of transport - one for the transport driver and one for the shipment recipient. Prior to accepting any cannabis, a transport manifest will be generated within the inventory tracking system and will receive a paper copy from the originating facility to check against the actual shipment.

Once the delivery is completed, paper transport manifests will be filed, and electronic copies backed up along with any other documents associated with the shipment. Access to manifest records will be restricted to our management team. Filed transport manifest information will be mirrored in the point-of-sale records, allowing for quick identification and reconciliation of potential gaps during inventory and shipping audits.

Every transport manifest will contain:

- Date of transport;
- Name of person transporting;
- Signature of person transporting;
- Make, model, license number of transport vehicle;
- License number, address, phone number, and name of originating facility;
- License number, address, phone number, and name of destination entity;
- Quantities by weight or unit of each type of cannabis or cannabis product contained in transport;
- Estimated date and time of departure;
- Estimated date and time of arrival;
- Route to be travelled;
- Details for extenuating circumstances (e.g., flat tire);
- Name of person receiving or rejecting product; and,
- Signature of person receiving or rejecting product.

Storage Related Records

Storage recordkeeping will confirm that storage area environments are consistently maintained at the correct temperature and humidity and in a sanitary condition. Recordkeeping will also track

chain-of-custody, inventory quantities, and important product dates such as date of receipt, production date, and use-by date.

The following are examples of recordkeeping logs that will be utilized throughout the facility:

- Temperature logs - To document the temperature of all climate-controlled storage areas. Any deviation will be addressed and corrected immediately. Corrective action will be recorded.
- Sanitation logs - To document daily surface cleaning and sanitation of tools, equipment, contact surfaces, and rooms/areas within the facility.
- Shipping/Receiving logs - To document shipment compliance inspections and packaging activities.

Testing Samples & Results

As cannabis plants are harvested, trimmed, dried, and cured, they are aggregated into a harvest batch. After the QAM determines the batch has been properly cured by passing all internal quality control checks, the QAM will contact a licensed testing laboratory and arrange for laboratory staff to procure and transport samples of each harvest batch for required testing.

While the licensed testing laboratory representative is on premises, the QAM will record the batch number for each sample taken, the date and the name and employee ID of the lab representative collecting the samples, and the name of the employee that escorted them on the Testing Preparation Log. Once collected, the quantity and associated batch number of each sample will be recorded in the inventory tracking system under a unique package ID which will also be recorded on the log along with the initials of the QAM and the lab representative. A second sample is retained in storage, for comparative purposes, for up to one year from the harvest date. Laboratory testing information will confirm the product safety, cannabinoid profile, terpene profiles, and any additional state mandated testing results. Once laboratory test results for a harvest batch are returned, they will be entered into the inventory tracking system by the QAM, where the harvest batch information and associated test results are then transferred to the harvest batch label.

We will store packaged harvest batches at the facility under quarantine until the completion of required laboratory testing. Each harvest batch will be easily distinguishable from other harvest batches until it is broken down into packages. No cannabis will be sold prior to receiving laboratory test results for its associated harvest batch.

Individual testing results will be entered into the inventory tracking system by the testing laboratory along with a “pass/fail” designation for each batch. The QAM will review test results upon receipt to determine if the batch meets our strict quality control standards and release for packaging upon approval.

Recall Summary Reports

All records tied to complaints, returns, and recall reports, including reports and press releases, will be created, filed, and reported to the state. Upon completion of a recall the following information will be summarized and submitted to the state. Recalled inventory data will be entered into the inventory tracking system where appropriate:

- Our name, address, and contact number;
- The name of the Recall Coordinator;
- Initial complaint date;
- Date the recall was initiated;
- Date of recall closeout;
- Description of recalled cannabis, including product name(s), harvest batch number(s), oil/extract batch number(s), and finished product batch number(s);
- Source of contamination, if known/applicable;
- The total amount of cannabis subject to recall;
- The total amount of recalled cannabis removed from the cultivation facility's inventory;
- The total amount of recalled cannabis returned to the cultivation facility;
- The total amount of affected product not returned to the facility;
- The effectiveness of recall as a percentage;
- Summary of the primary complaint;
- Summary of related complaints; and,
- Summary of any corrective actions taken.

Security and Surveillance Records

Video surveillance and security records will be located in a limited access security room, available only to authorized personnel, including the GM, QAM, and the Security Manager. Within this room, security recordings and backup power devices will be further secured in a locked cabinet or closet to protect them from tampering or theft.

Secondary trip devices that operate independently of the facility's primary security alarm system will be installed in this room at critical access points to protect the room. This ensures that, in the unlikely event an intruder successfully penetrates the facility's primary alarm system, there is an additional layer of protection guarding sensitive records.

We will retain a record of all inspections, servicing, alterations, or upgrades to the security systems. A current list of employees authorized to access the security records will be maintained onsite. A dedicated Surveillance System Access Log will be kept specifically for surveillance record access which includes the date/time the system was accessed, the name and employee ID for the individual accessing the system, the reason for service, and the name of their employee escort (if applicable).

Video Surveillance Records

We will have a video surveillance system that, at a minimum, consists of digital or network video

recorders, cameras capable of meeting the recording requirements outlined by the state, video monitors, digital archiving devices, and a color printer capable of delivering still photos. The video surveillance system will be equipped with a failure notification system that provides notification of any interruption or failure of the video surveillance system or video surveillance system storage device.

The surveillance system will at minimum record:

- Any areas where cannabis products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the facility;
- Limited access areas and security rooms. Transfers between rooms must be recorded;
- Areas storing a surveillance system storage device with at least one camera recording the access points to the secured surveillance recording area;
- The entrances and exists to the building must be recorded from both indoor and outdoor vantage points; and,
- At all times images effectively and efficiently of the area under surveillance with sufficient resolution.

We will have cameras that record continuously 24 hours per day and recorded images will clearly and accurately display the time and date. We will install each camera so that it is permanently mounted and in a fixed location. Each camera must be placed in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit on the facility and allows for the clear and certain identification of any person, including facial features, and activities, including sales or transfers, in all areas required to be recorded under these rules.

We will secure the physical media or storage device on which surveillance recordings are stored in a manner to protect the recording from tampering or theft. We will keep surveillance recordings for a minimum of 90 days onsite and an additional 90 days offsite, except in instances of investigation or inspection by the state or its agents. Surveillance recordings are subject to inspection by the state and its agents and will be kept in a manner that allows the state to view and obtain copies of the recordings at the facility immediately upon request. We will also send or otherwise provide copies of the recordings to the state upon request within the timeframe specified by the state.

Incident Reporting

Incident reports will compile a record of events, witnessed by employees or recorded on the security and surveillance system, so that a chain of events leading to possible break-ins or internal theft may be identified. An “incident” may be anything substantially out of the ordinary that occurs during or after normal business hours. An attempted burglary or break-in, the presence of unauthorized individuals, or a visitor or employee injury in the facility are all examples of noteworthy incidents that should be documented. Serious incidents associated with theft or loss will be reported to the state and law enforcement agencies within 24 hours. Incident reports will be provided to the state and authorized law enforcement along with relevant video surveillance

footage upon request.

Incident Report forms will include:

- Witness name and contact information;
- Incident date, time, and location;
- Person(s) involved in incident;
- Description of injuries (if applicable);
- Witness description of incident; and,
- If incident involved or was reported to authorities, agency contact information including name(s) of agency employees.

Visitor Logs

A Facility Visitor Log will be filled out any time an authorized visitor is escorted into the cultivation facility. Every visitor will be required to provide personal and company identification and provided a numbered visitor's badge. The Facility Visitor Log will be available for inspection at all times and include:

- Date and time in
- Visitor name
- Reason for the visit
- Name of employee escorting visitor
- Employee or visitor ID badge number
- All areas of the facility visited
- Visitor signature
- Sign-out time

Financial Records

The accumulation of comprehensive, reliable sales data provides management with critical information needed for measuring performance as well as strategizing and planning. We will employ a business-to-business point-of-sale (POS) system that offers a variety of analytical data. Transaction information regarding the sale, transfer, transport, or disposal of cannabis will also be logged in the inventory tracking system, supplementing and reinforcing the information reflected in our sales financial records.

Our Chief Financial Officer will be responsible for the security and accuracy of all financial records maintained for the cultivation facility. Financial recordkeeping will include:

- All financial transactions and the financial condition of the business, including contracts for services performed or received;
- Purchase invoices, bills of lading, manifests, sales records, copies of bills of sale, and any supporting documents (including the items and/or services purchased, from whom the items were purchased, and the date of purchase);

- Bank statements and canceled checks for all accounts relating to the business; and,
- Accounting and tax records related to the business and all investors in the facility.

Personnel Records

We will maintain accurate personnel records by creating a dedicated employee file for every new hire; these records will be maintained for at least five years after an employee ceases to work at the facility.

All personnel records will include:

- Employee name, address, phone number and emergency contact information;
- Employee security access credentials;
- All records relating to the hiring of employees, including confirmation of criminal history background checks, applications, documentation and verification of references, and any other related materials;
- All training, education, and disciplinary records;
- Records of days worked and time off;
- Salary and wages paid to each employee, including any executive compensation, bonuses, benefits, or items of value paid to the employee; and,
- Date of hire and date of separation (if applicable) from employment and the reason for the separation.

While onsite, all employees will be required to maintain and display at all times their employee identification card. This card will include, at minimum:

- The name of the cardholder;
- The date of issuance and expiration;
- A random 10-digit alphanumeric identification number with at least 4 numbers and 4 letters that are unique to the holder;
- A photograph of the cardholder; and,
- The legal name of the grower employing the agent.

Production Records

Our cultivation SOPs require the creation and maintenance of meticulous records for every plant through every stage of growth, from seed or clone to packaged cannabis shipment. At the time of planting, all plants shall be accounted for as a batch with a unique batch number that shall remain with the batch through final packaging. Each plant shall receive an individual RFID tag when they have reached 8 inches in height. Production records will include thorough documentation of every interaction with the plants, including but not limited to planting, harvesting and curing, weighing, and packaging and labeling. Soil amendments, fertilizers, pesticides, nutrients or other chemicals or inputs applied to the growing medium or plants or used in the process of growing cannabis will be tracked through inclusion in product management, pesticide application, fertilizer application,

and daily inspections. Every crop input will record the following:

- The date of application;
- The name of the individual making the application;
- The product that was applied;
- The section, including the square footage, that received the application (by group number);
- The amount of product that was applied; and,
- A copy of the label of the product applied.

Cultivation Equipment Maintenance Log

In addition to daily checks and surface cleaning performed by the Cultivation Team, our Maintenance Team will routinely inspect, deep clean, calibrate, and check the following equipment to ensure accuracy:

- Automatic, mechanical, or electronic equipment (i.e., HVAC, Lighting, RO Filtration).
- Scales, balances, or other measurement devices used in the operation.

The Maintenance Team will be responsible for recording any performed maintenance and calibration of equipment and will require signoff from the Maintenance Manager upon task completion. The equipment maintenance log will include:

- Equipment description (name/model number)
- Equipment location (room number/name)
- Description of task performed
- Date/time
- Initials of the employee who completed the service

Pesticide, Fertilizer and Chemical Applications Log

We will maintain accurate records concerning pests and pathogens and the measures taken to control them. We will utilize preventive plant scouting to maintain a high level of sanitation. However, should the need arise, we will only utilize pesticides, miticides, herbicides and fungicides approved by the state. SDS sheets and copies of original labels will be maintained for each agricultural chemical. Each application or usage will be recorded in the appropriate pesticide, fertilizer, or chemical application log.

Applications of all pesticide, fertilizer, or other agricultural chemicals performed during any stage of cultivation will be performed according to our Integrated Pest Management Plan. Every application will be documented on the appropriate Application Log and will include:

- Date and time of application;
- Stage of the cultivation process;
- Date when the plants in the application area were moved to the flowering stage, if applicable;

- United states Environmental Protection Agency (EPA) registration number, if applicable;
- Analysis of the fertilizer applied;
- Application site, which will be identified by the location legend maintained by the cultivator;
- Name of the product being applied;
- Batch number(s) for the plants receiving the application;
- Size of the application area;
- Name of the individual making the application;
- Total amount applied;
- Dosage or rate of application;
- Applicator permit number or certification number, if applicable; and,
- Comments or special conditions related to the application.

Cleaning and Waste Disposal Log

The Maintenance Team will be responsible for maintaining sanitation logs and will require Maintenance Manager signoff upon task completion.

All disposal activities will be recorded in the inventory tracking system and manual logs to maintain accurate and comprehensive records regarding waste material that accounts for and reconciles all activity related to the disposal of cannabis. The facility will utilize the inventory tracking system to ensure its green waste materials are identified, weighed and tracked while on the premises until disposed of.

A separate written record will be created on the Waste Disposal Log and entered into the inventory tracking system every time the disposal process happens.

This log will include:

- The date and time of the disposal;
- The manner of the disposal;
- The volume and weight of the approved solid waste media used to render the cannabis unusable;
- The batch number(s) associated with the cannabis scheduled for destruction;
- The reasoning for and description of the disposal; and,
- The signature of the authorized employee(s) overseeing the disposal of the cannabis.

Packaging Operations

Packaging employees will follow recordkeeping protocols requiring documentation of all packaging activities both in manual logs and in the inventory tracking system; such documentation must include the names and ID numbers of both employees responsible for the packaging activity. All packaging activities that require weighing and measuring will utilize a digital scale. Calibration and maintenance of all scales used must be performed daily and documentation of

daily calibration and periodic maintenance will be maintained on site.

Packaging and labeling areas will be inspected prior to use to ensure all previous plant, packaging and labeling materials have been removed. All equipment, utensils, and contact surfaces used for packaging cannabis will be cleaned and sanitized prior to use, throughout the packaging activity as required, and immediately after packaging is complete to keep all packaging components free of contaminants. Packaging employees will wear hair nets (and beard nets, if necessary) and nitrile gloves to prevent the contamination of plant material during packaging. Since dried cannabis produces airborne particles, employees will wear dust masks for protection.

The ICM will coordinate inventory packaging and shipping operations, maintaining an efficient shipment schedule while ensuring all inventory movement is accurately tracked in the inventory tracking system. Harvest batches are designated into packages by weight by the ICM, who will input the information into the inventory tracking system 24 hours prior to the shipment delivery date. The ICM will create a unique package inventory ID within the inventory tracking system that mirrors each physical package to be shipped. Package inventory IDs may comprise multiple individual unit containers, however all containers within the package will be from the same harvest batch, designated to the same recipient. Packages are then aggregated into shipments for individual recipients by generating a transport manifest. The ICM will organize the day's transport manifests, print labels, and create a list of exact inventory items and weights to be packaged into coordinating packaging breakdown sheets to guide the work of the packaging employees.

Weighing Plant Material

During packaging for final sale, harvest batches of cured flower are sorted according to bud size and placed into either bulk packaging for processors or retail packaging for sale directly to consumers through dispensaries. Packaging employees will work with flower from one harvest batch at a time until all packaging from that harvest batch is complete. The employee will place a weigh tray on a digital scale and fill with flower until the scale reaches the quantity specified on the package breakdown sheet. The employee will adjust the weight as needed by adding or removing smaller buds and removing any large stems or any other material that should be waste; results will be accurate to within 0.1g of the specified weights. Once the desired weight is achieved, the measured flower is poured into the designated retail or bulk packaging to create the individual unit. Individual units are sealed and affixed with their associated Harvest Batch Label. When all individual units for a specific harvest batch have been successfully sealed and labeled, they are boxed into one or more packages designated for shipment. Each package is then affixed with its associated Package ID Barcode. All packages on the same packaging breakdown sheet are set in a designated area along with any associated waste for verification of weights by the ICM prior to being approved for shipment.

Retail Packaging

Plant material for distribution to dispensaries will be packaged in pre-determined weights by

strain. We will utilize only the highest quality of medical and food grade packaging that meets both ASTM and CPSC child-safety standards. Selected products will be environmentally friendly and, if possible, manufactured within the United States. To best preserve the quality and integrity of cannabis flower, we will utilize hard sided containers that are light resistant and prevent crushing of the material (versus plastic bags). We will maintain ASTM or CPSC certificates for all supplied packaging.

Bulk Packaging

Plant material for distribution to processors will be packaged in vacuum sealed bags in one or two-pound quantities ready for bulk transport. Opaque Mylar bag rolls will allow for variable package sizes based on individual orders. We will utilize an industrial, food grade tabletop vacuum packing machine with a heat sealer; this machine will feature vacuum level sensors that allow packages to be vacuumed to a precise level to ensure consistent weights and seal quality.

Sending Shipments

Once package weights and labeling have been approved by the ICM, packaging employees will ensure the associated transfer manifest is included in the shipment container's external clear packing list envelope. When a shipment is ready to leave the facility, the ICM will visually inspect all outgoing packages, count or weigh all items, and compare the packages with the accompanying transport manifest. The QAM will also review packaging and labeling to confirm the ICM's visual inspection and ensure that the packaging of each item is undamaged, accurate, and complete and that no tampering of the packages has occurred. The inspection results will be recorded on the Shipping Checklist. Any incorrectly packaged, damaged, or noncompliant packages or labels will be corrected by a packaging employee. Any errors in the transport manifest will be corrected within the inventory tracking system by the ICM. Once the shipment has been inspected and approved by the ICM and QAM, it will be authorized for transport.

Storage Plan

The ICM will take responsibility for keys and access codes to the secure inventory storage room; staff will be trained to report evidence of unauthorized access to the ICM. Cannabis plants or products that are damaged, defective, recalled, or otherwise designated for destruction/disposal will be stored in a dedicated storage area segregated from sellable inventory.

Storage Area Climate Control

Environmental controls will maintain storage areas at desired temperature and humidity levels. Air in the storage areas will be continuously circulated, filtered, and cooled to help ensure dry storage temperatures remain between 50°F and 70°F and humidity maintained at less than 15%. Heat producing equipment will be used in dry storage areas only if the temperature drops below 50°F. Products and supplies requiring refrigeration will be kept at 41°F or below and freezers at 0°F or below.

Security Controls

Strict access controls will be maintained for storage areas that include both physical security (programmable keycards, 24/7 video surveillance, passive infrared motion detectors, etc.) and procedural/systematic measures (user limitations within the inventory tracking system, consistent inventory audits, maintenance of visitor and internal logs, etc.) to ensure all employees, plants and products are accounted for at all times.

As a limited access area, storage rooms will subject to our two-person rule, requiring dual access to enter. As such, no one person will enter or be left alone in these rooms for any reason. Access to the secure storage areas will be limited to select authorized employees, with the electronic access locks keyed only to those individuals and a current roster maintained onsite. Packaged, harvested cannabis will be further segregated within limited access areas and stored in a dedicated safe, storage refrigerator, or vault, utilizing the maximum amount of security possible in the facility.

Visitor Access

Should a visitor require access to a secure storage area, for example during an inspection or laboratory staff for sample testing, the visitor will be required to provide company credentials along with a government issued ID and adhere to our strict visitor policies. No visitor will be allowed to touch cannabis plants or handle cannabis packages at any time unless necessary for the completion of their official duties as required by state regulations.

A Facility Visitor Log will be filled out any time an authorized visitor is escorted into the facility. All visitors will be issued a badge that must be conspicuously displayed for the duration of their visit. They will remain escorted by an authorized employee while on the premises. The Facility Visitor Log be maintained onsite and regularly backed up electronically according to our Recordkeeping SOPs.

Receiving Shipments

We anticipate shipments to the cultivation facility will be primarily restricted to receiving non-cannabis inventory items, such as grow and office supplies. The facility will receive only one delivery at a time from approved vendors. The date received will be recorded on the outside of each package, and a use-by date, if applicable.

Whether receiving or preparing to send a shipment, the area for loading and unloading of cannabis into or from a transport vehicle will be enclosed, secure, and out of public view. Within this secure area, arriving cannabis is segregated from the current facility inventory in a limited access storage area. Shipments received by the facility will go immediately into this receiving area for inspection by the ICM. Once the shipment has passed inspection, the ICM will mark the products as received in the inventory tracking system and physically transfer them to the limited access storage area. Products will be quickly transferred to their proper storage area to avoid potential contamination.

Transportation

We will perform a review and approval of any third-party transportation services prior to engagement that will include:

1. Confirmation the company offers secure, licensed, insured and bonded transport;
2. Perform a vehicle inspection to ensure the delivery vehicle is equipped with secure storage, GPS tracking, climate controls, and does not display any identifying characteristics to indicate transport;
3. Require completion of a questionnaire to establish contractor compliance as a part of the transportation contract between us and the shipping contractor;
4. Retain the shipping contract and other documentation for state inspection; and,
5. Obtain a copy of state licensing for the transportation company and retain this information on file.

All packaged cannabis at the facility will be stored under quarantine until the completion of required laboratory testing. Upon the receipt of laboratory test results cannabis items will be inspected by the Quality Assurance Manager prior to distribution and warehoused in an approved released-product storage area under appropriate environmental conditions consistent with its shelf life specifications and labeling.

The oldest batch of an approved product with the shortest expiration date will be distributed first. A distribution history for each batch will be available in the inventory tracking system and will minimally include the unique batch number, receiving site, date, and quantity shipped.

Preparing Shipments

The ICM will coordinate inventory packaging and shipping operations, maintaining an efficient shipment schedule while ensuring all inventory movement is accurately tracked in the inventory tracking system. During packaging for final sale, harvest batches of cured flower is sorted into either bulk packaging for wholesale customers or child-resistant packaging prepared for retail sale through dispensaries. Harvest batches are designated into packages by weight by the ICM, who will input the information into the inventory tracking system 24 hours prior to the shipment delivery date.

The ICM will create a package with a unique package inventory ID within the inventory tracking system that mirrors each physical package to be shipped. Package inventory IDs may comprise multiple individual unit containers, however all containers within the package will be from the same harvest batch, designated to the same recipient. Packages are then aggregated into shipments for individual recipients by generating a transport manifest. The ICM will then organize the day's transport manifests, print labels, and create a list of exact inventory items and weights to be packaged into coordinating packaging breakdown sheets to guide the work of the packaging employees.

Sending Shipments

Once package weights and labeling have been approved by the ICM, packaging employees will ensure the associated transfer manifest is included in the shipment container's external clear packing list envelope. When a shipment is ready to leave the facility, the ICM will visually inspect all outgoing packages, count or weigh all items, and compare the packages with the accompanying transport manifest. The QAM will also review packaging and labeling to confirm the ICM's visual inspection and ensure that the packaging of each item is undamaged, accurate, and complete and that no tampering of the packages has occurred. The inspection results will be recorded on the Shipping Checklist. Any incorrectly packaged, damaged, or noncompliant packages or labels will be corrected by a packaging employee. Any errors in the transport manifest will be corrected within the inventory tracking system by the ICM. Once the shipment has been inspected and approved by the ICM and QAM, it will be authorized for transport.

Sanitation Plan

Cultivation Facility Sanitation

Our facility sanitation SOPs include daily and weekly sanitation responsibilities for every position in the facility, including pest prevention, worker sanitation practices, and the proper removal of litter and waste. Various sanitation SOPs will detail processes for safely handling cannabis plants through every phase of growth and production. Our SOPs also include a regular cleaning schedule to ensure equipment, floors, counters, walls, and ceilings are kept in good repair. We will contract with a professional cleaning company to deep clean the facility at least once a month; where possible, we will endeavor to contract with minority owned businesses for support and ancillary services such as maintenance and sanitation.

Facility Inspections

The opening manager will perform a daily walkthrough of the entire facility to look for potential safety and sanitation hazards. These inspections will include looking for burned out bulbs, damaged equipment, evidence of pests, and lack of cleanliness. Any concerns will be immediately corrected or scheduled to be corrected.

Our integrated pest management plan includes weekly exterior facility inspections conducted by the Maintenance Manager to identify potential habitats and food sources, gaps in doors or windows, inadequate screening, mowing, or other maintenance needed to prevent attracting rodents, insects, and other pests.

Complaints, Returns, & Recalls

Consumer, product, and public safety are our top priority. Preventative quality assurance measures are integrated into facility operations to limit the possibility that products will cause serious adverse health consequences or could cause temporary or medically reversible adverse health consequences.

An “adverse event” can be any health-related episode associated with the use of a cannabis product that is undesirable, unexpected, or unusual. Complaints of adverse events and returns of cannabis from the cultivation facility will be regarded and handled with the utmost care, importance, and urgency.

We have developed standard operating procedures (SOPs) for receiving and investigating complaints regarding an adverse event from the consumption of cannabis originating from the facility. Should an investigation determine that cannabis from the cultivation facility may be unsafe for consumption, we will immediately initiate its Recall Plan to identify and isolate any cannabis deemed unsafe or unfit for consumption to prevent or minimize its distribution to other cannabis facilities, consumers, and caregivers.

Our Quality Assurance Manager (QAM) will be responsible for implementing product investigations and recall procedures consistent with facility operations and for carrying out such procedures in a manner that maximizes the effectiveness of any recall while minimizing risks to public health and safety. These SOPs will include:

- Identifying the factors that necessitate a recall;
- Creation of a Recall Committee responsible for the execution of investigation and recall procedures;
- Investigation of returns and complaints received from consumers, caregivers, physicians, or cannabis facilities about cannabis that may be causing adverse consumer reactions;
- Correct testing of harvest batches associated with the complaint;
- Handling and disposal of recalled cannabis and returned cannabis products; and,
- Reporting adverse event investigation results to the physician of record for the individual reported to have experienced the adverse event (if known) and any public health authority.

Our Recall Plan includes:

- Responsibilities of the Recall Committee and their execution of the Recall Plan;
- Procedures for identifying all affected cannabis plants and products involved including a unique identification number that will match the recalled items with a lot and batch number and its test results to facilitate any warnings or recalls the state deems appropriate;
- Notification process for cannabis facilities, supplying vendors, key agencies, and the public to whom the cannabis may have been sold or otherwise distributed; and,
- How the cannabis will be disposed of when returned to or retrieved by us, including

transportation policies and procedures.

Preventing Adverse Effects

Our training program will include basic training on a variety of potential health threats associated with cannabis and how to prevent them. As a proactive measure for detecting and preventing adverse events, we will maintain a small portion of each harvest batch for periodic quality assurance testing. If a complaint is determined to be a potential adverse event using any of the above criteria, the General Manager will immediately inform the complainant to seek medical attention and assemble the Recall Committee to investigate the complaint.

Molds and mildews are some of the most common contaminants found in cannabis. Most often, the effects of these contaminants are mild, similar to cold or flu symptoms such as a stuffy or runny nose, sneezing, or coughing. However, in some individuals, or with particular types of molds or mildew, the health consequences can be much more severe. We will use climate controls in the facility to manage temperature and humidity and minimize the possibility of mold and mildew development. Surfaces in cultivation areas will be sealed with a mold- and mildew-resistant paint. We will also train employees to identify mold and mildew in their daily inspections of cultivation areas, along with proper quarantine and mold mitigation procedures. Laboratory testing will help to identify mold and mildew but is intended purely as a fail-safe for finished product, not as a substitute for proper prevention techniques.

Any product identified as contaminated with mold or mildew will be weighed and recorded in the inventory tracking system and placed in the quarantine area until destroyed according to our Waste Disposal SOPs. The cultivation area(s) where plants were identified to have contamination will also be inspected along with any signs of water damage or leakage.

Unauthorized and/or excessive amounts of residual pesticides or other agricultural chemicals in cannabis can have a wide spectrum of health effects depending on the substance, method of exposure, and individual sensitivity. Employees will be trained to identify the symptoms of acute poisoning, as it is difficult to tell the severity of poisoning based purely on symptoms. Symptoms that seem mild at first such as headache, fatigue, weakness, dizziness, restlessness, nervousness, perspiration, nausea, diarrhea, loss of appetite, loss of weight, thirst, moodiness, soreness in joints, skin irritation, eye irritation, irritation of the nose and throat, could also be symptoms of the early stages of acute poisonings.

Bacterial contamination such as E. Coli, Salmonella, Aspergillus, or other harmful strains can also be a threat in cannabis. These are the least common contaminants identified in cannabis but can result in severe health consequences for people when exposed. These microorganisms often go undetected when present. While laboratory testing should provide assurance that cannabis is free of microbial contaminants, prevention is the most important defense against them.

Recall Committee

We will designate key personnel from various areas of the facility as part of a Recall Committee responsible for the oversight and review of all complaints, returns and recalls. All cultivation employees, even if they do not participate on the Recall Committee, will undergo training regarding the overall investigation and recall process and their associated responsibilities.

The Recall Committee will include the following positions:

- Recall Coordinator (QAM)
- Recall Communications Director (GM)
- Internal Recall Team
 - Cultivation Manager
 - Inventory Control Manager
- External Recall Team Delivery Drivers
 - Sales Team

Investigation Overview

The Recall Committee will, within 24 hours of receipt, review any complaint regarding the quality or safety of its cannabis. Any affected products and/or production batches remaining within the cultivation facility will be immediately identified. The Internal Recall Team will cease production of the product in question, locate, and quarantine all affected plants within the facility until the source of the complaint or adverse event is identified and corrected. The quarantined plants will be segregated physically from all other production within the facility and secured in a limited access area that is under constant video camera surveillance.

The Internal Recall Team will investigate the records and circumstances of the production of the batch in question to determine if a voluntary or mandatory recall of cannabis is necessary or if any further action is required. If a deviation from SOPs in any phase of the cultivation or packaging of the specified cannabis at the facility has occurred, the Recall Coordinator will investigate the circumstances of the deviation and record any relevant information that led to the deviation.

Each harvest batch of cannabis cultivated will have at least two samples saved to facilitate immediate testing. The Internal Recall Team will coordinate retrieving the samples from the pertinent retention batch to compare with each received complaint using our rigorous internal quality standards. If the complaint cites adverse characteristics that should be verifiable through comparison to retention samples for the batch and we are able to verify that the specimen selected from the retention samples for the batch exhibits the same adverse characteristics enumerated in the complaint, appropriate measures will be taken immediately. The retention samples will be sent to an independent laboratory to determine if they meet the specifications of the identified strain variety and will be tested for microbial contaminants, mycotoxins, foreign matter contamination, heavy metals, and pesticide and fertilizer residue.

If we discover that a condition relating to the cannabis cultivated at our facility poses a risk to

public health and safety, we will immediately notify the state by phone, and send a written hard-copy and email notification, as well as notification through the state-approved tracking system. We will secure, isolate, and prevent the distribution of the affected cannabis and any associated cannabis product.

We will not destroy or otherwise legally dispose of the affected material(s) before notifying the state and coordinating its collection or disposal.

Upon receipt of a complaint or notification of an adverse event, the Recall Coordinator will:

- Review and investigate product complaints to determine whether it involves a possible failure of a product to meet any of its specifications, or any other requirements, including but not limited to those specifications and other requirements that, if not met, may result in a risk of illness or injury.
- Review and approve decisions about whether to investigate a product complaint and review and approve the findings and follow-up action of any investigation performed.
 - The review and investigation of the product complaint, review by quality control personnel about whether to investigate a product complaint, and the findings and follow-up action of any investigation performed, will extend to all related batches and relevant records. Related batches may include, but are not limited to, batches of the same product, other batches processed on the same equipment or during the same time period, or other batches produced using the same batches or lots of components or packaging components.
- Create a written record of the complaint and details of any subsequent investigation, including:
 - Identity of the product;
 - Batch, lot, or other control numbers of the product;
 - Date the complaint was received and the name, address, or telephone number of the complainant, if available;
 - Nature of the complaint including, if known, how the product was used;
 - Names of the Recall Committee members or quality control personnel who do the following:
 - Review the reason for the product return;
 - Review and approve any reprocessing, as applicable; and,
 - Review and approve the findings and follow-up action of any investigation performed.
 - Document the findings of the investigation and follow-up action(s) taken when an investigation is performed; and,
 - Create our response to the complaint, if applicable.

Recall Plan

Should an investigation determine there could be a potential adverse event related to the cannabis

cultivated at the facility or upon receipt of a formal recall notification from the state, the Recall Coordinator and will initiate the Recall Plan. The Recall Coordinator will coordinate the execution of the recall decisions throughout the process as required until the recall is complete.

Identifying Products for Recall – Internal Recall Team

All cannabis packages and finished products have unique barcodes that allow any item to be immediately traced back to the cultivation facility, associated with specific harvest and production batches for efficient recall investigation.

Using the batch number associated with the complaint, the inventory tracking system can be searched to immediately identify all recorded characteristics of the affected batch, including the harvest date, total amount of cannabis harvested, all pesticides, nutrients, fertilizers and other active ingredients used during the cultivation, and the final destination of all affected products. Every package containing products from the suspected batch can be identified and communication with the possessing entity initiated within hours.

Once identified, all affected product, packaging and/or equipment (if applicable) used to cultivate or produce the cannabis in question will be quarantined and taken out of the supply chain. Plants and packages from the associated batch will be locked in the inventory tracking system so that no products can be electronically moved. The cultivation facility will cease shipment of all products, affected or not, for a minimum of 24 hours so that all affected products, packaging, equipment, etc. can be located and quarantined. Once this has been completed, the Internal Recall Team will report the inventory of quarantined items to the Recall Coordinator including product descriptions, production batch numbers, date of production, and quantities of quarantined items.

Should a recall be determined to be necessary, the Internal Recall Team will coordinate with the Recall Communications Director to report on details of all affected product, including:

- Product name
- Batch number(s)
- Date(s) of production
- Quantity produced
- Quantity distributed
- Date, time, and exact quantity of each affected product shipment accepted by any cannabis facility
- Name of person who accepted the delivery of affected product for each location

Inventory Tracking of Recalls

We will track all information relevant to a recall within the inventory tracking system. Internal storage and inventory control SOPs are designed to keep products organized and clearly labeled, allowing them to be quickly and easily identified. Accurate recordkeeping throughout the facility provides an overview of production dates, quantities, inventory levels, and product received and

shipped.

As part of our regular inventory audits, we will document the total amount of recalled cannabis plants or products, including type, form, batch number(s), and date and time of harvest. We will keep an administrative record for any recalled cannabis by recording from whom the recalled cannabis was received (e.g., processing facility or dispensary), the means of transport of the recalled cannabis back to the cultivation facility, and the reason for the recall. We will submit any proposed changes to its Recall Plan to the state at least 60 days before the effective date of the proposed changes.

Recall Communications – External Recall Team

The Recall Coordinator will coordinate with the External Recall Team to complete the necessary notification of all affected parties. Location of affected production batches and products will be identified through the inventory tracking system by the External Recall Team. Production logs, internal invoices, transport manifests and shipping logs will be utilized to double check the accuracy of the inventory tracking system.

The Inventory Control Manager will keep hard copies of all transport manifests and ensure the electronic transport manifest records within the inventory tracking system are current and accurate. The contact information for every cannabis facility that we have shipped product to within the past year will be regularly maintained.

Depending on the nature of the recall, affected cannabis facilities will be requested to quarantine all products associated with the identified batch number; it will be clearly stated that the products are not to be distributed or to leave their facility for any reason. Where required, shipments will be arranged, and transport manifests generated for, quarantined packages to be sent back to us until further testing can be completed and the recall finalized. Should a recall investigation require the disposal of affected cannabis, the purchasing facility will be notified to complete destruction of the quarantined product.

The Recall Communications Director will directly contact via phone and through email every cannabis facility that received affected product providing the specific details of shipment(s) to each, including:

- Description of the complaint;
- Name of affected product(s);
- Production batch number(s);
- Date(s) of production;
- Date(s) and time(s) of delivery of affected product;
- Exact quantity of affected product shipped and accepted by the cannabis facility;
- Name of person(s) who accepted and signed for the delivery of affected product;
- Instructions to quarantine the product and prepare for pickup of the affected product; and,
- Notification that the Recall Coordinator will contact them to schedule pick-up of affected

products, if appropriate.

Processing facilities will be instructed to notify any dispensaries who purchased product that contained the batch(es) in question. Dispensaries will be instructed to contact customers who have purchased any of the affected products by phone and email where said information is available.

As necessary, the Recall Communications Director will use press releases and other appropriate public notifications to ensure that consumers are notified of the recall as soon as possible and to issue updates throughout the recall process. Cannabis facilities will be issued electronic copies of the press release to post, email and distribute to their consumers.

Key Recall Contacts

Regulatory Agencies

- Marijuana Regulatory Agency

Technical Consultants

- Testing Laboratory
- Food Safety Consultants
- Sanitation Consultants
- Legal Counsel

Distribution Chain

- Internal Delivery Drivers (if applicable)
- Third Party Delivery Drivers

Cannabis Facilities

The GM will be the designated point of contact with the state. If the recall was not initiated by the state, but by us, the state will be notified via phone and email immediately upon receipt of the complaint and again once the Recall Committee has determined whether a recall is necessary. Detailed explanation on any decision will be provided via email and sent by certified mail within 24 hours of the initial complaint.

The state will be contacted and provided with key information throughout the recall process. The Recall Coordinator will be available 24 hours a day during the recall effort.

Transportation of Potentially Affected Cannabis

Every resource will be utilized to retrieve recalled products as quickly as possible. The Recall Coordinator and ICM will coordinate a pick-up date and time with each cannabis facility or consumer/caretaker, in accordance with all laws and regulations. If samples are to be sent to a cannabis testing lab or recalled product shipped from an affected processor or dispensary, the ICM will assist the Recall Coordinator by creating transport manifests and scheduling delivery drivers for each shipment. The transport manifest will be transmitted to the cannabis testing laboratory,

processor, or dispensary, and to the state before the close of business the day prior to transport.

All recalled product shipments will follow our standard transportation procedures, including making limiting stops, the duty to immediately report emergencies, employee identification and safety, and vehicle requirements including branding, insurance, and storage safety requirements.

Handling the Return of Recalled Products

Returned recalled products whose packaging has been compromised will not be accepted. Two people will be required to accept any returned product, one of which must be the Recall Coordinator.

- Returned products will be identified as such and be quarantined upon receipt.
- Returned product will be reviewed and approved or rejected by the Recall Coordinator.
- If the conditions under which returned product has been held, stored, or shipped before or during its return, or if the condition of the product, its containers, or labeling, as a result of storage or shipping, casts doubt on the identity, purity, strength, composition, or freedom from contamination or adulteration of the product, the returned product will be rejected unless examination, testing, or other investigations prove the product meets appropriate standards of identity, purity, strength, and composition and is free from contamination or adulteration.
- If the reason a product is returned implicates associated batches, an appropriate investigation will be conducted and extend to all related batches and relevant records. Related batches may include, but are not limited to, batches of the same product, other batches processed on the same equipment or during the same time period, or other batches produced using the same components or packaging components.
- Recalled products returned to the cultivation facility will be destroyed pursuant to our Waste Disposal Management SOPs.
- A written record will be kept of the return, and where applicable its investigation, including:
 - Identity of the product;
 - Batch, lot, or other unique identification number of the product;
 - Date the returned product was received;
 - Name and address from which it was returned, and details of transport;
 - Reason for the return;
 - Results of any tests or examinations conducted on the returned product, or on related batches, if any;
 - Findings of the investigation and follow-up actions taken when an investigation is performed;
 - The ultimate disposal of the returned product, and the date of disposal; and,
 - Names of the Recall Committee members or quality control personnel who:
 - Reviewed the reason for the product return.

- Reviewed and approved the findings and follow-up action of any investigation performed.

Quarantine and Disposal of Recalled Cannabis

The Recall Coordinator will oversee destruction of all recalled products, if appropriate. Whenever possible, the purchasing processor and dispensaries will be notified to complete destruction of delivered packages and finished products associated with a quarantined batch.

All affected cannabis plants and/or returned cannabis products will be uniquely classified in the inventory tracking system and physically segregated within the cultivation facility as they are identified. The recalled cannabis will be quarantined in a secure, limited access storage area under constant video camera surveillance properly disposed of. Access to the quarantined product room will be limited to the GM, ICM, and QAM; a minimum of two personnel will be required to be present in the room at all times. Recalled items will be conspicuously labelled “QUARANTINED PRODUCT – DO NOT USE OR SELL.”

Once it is confirmed that every effort taken to ensure that all affected cannabis is under quarantine, we will notify the state and coordinate the destruction or other legal disposal of the recalled cannabis. Unless otherwise directed by the state, our standard Waste Disposal Management SOPs will be followed. Details of the destruction and disposal of affected product will be included in the recall Summary Report submitted to the state, tracked manually on the Waste and Disposal Log, and updated in the inventory tracking system as it is completed.

Recall Summary Report

Upon completion of a recall the following information will be summarized and submitted to the state. Recalled inventory data will be entered into the inventory tracking system where appropriate:

- Name, address, and phone as cultivator;
- The name of the Recall Coordinator;
- Initial complaint date;
- Date the recall was initiated;
- Date of recall closeout;
- Description of recalled cannabis, including product name(s), harvest batch number(s), oil/extract batch number(s), and finished product batch number(s);
- Source of contamination, if known/applicable;
- The total amount of cannabis subject to recall;
- The total amount of recalled cannabis removed from the cultivation facility’s inventory;
- The total amount of recalled cannabis returned to the cultivation facility;
- The total amount of affected product not returned to the facility;
- The effectiveness of recall as a percentage;
- Summary of the primary compliant;

- Summary of related complaints;
- Summary of any corrective actions taken; and,
- Any other information required by the state.

Waste Disposal Management

Waste Types

We will address our waste in four categories: green, cannabis, solid, and liquid or hazardous.

Green waste includes any cannabis waste generated through cultivation that is not the primary useable byproduct of the plant (e.g., flower, tight trim). Cannabis waste material consists of: parts of the cannabis plant that are unused (stocks, stems, dry crispy or dead leaves, topping material, pruning material, etc.); flower batches and/or trim batches whose test samples have failed; returned, out-of-date, or recalled cannabis; and any plant debris including aged and dead plants, clones that don't take root, or unused plant parts, and roots.

These plant waste materials must be constantly controlled due to their potential for diversion. Green waste will be collected, weighed, recorded, and destroyed daily. Green waste receptacles will have a locked lid and will remain under our control until its contents are transferred to an approved disposal facility.

Solid waste consists of everyday refuse such as paper, cardboard, and other common materials; solid waste management will be handled in accordance with our Sanitation Plan. Solid waste receptacles will be located at various sites throughout the facility. These waste receptacles will remain covered and emptied daily to minimize odors and reduce the potential for attracting pests by creating harborage or breeding grounds.

Liquid waste and potentially hazardous waste often go together, and include expired nutrients, additives, pesticides, or cleaners. All liquid waste will be held in a designated area and will be handled and disposed of in accordance with applicable local, state, and federal laws. We will follow controlled disposal procedures for potentially hazardous waste materials by contacting a contractor licensed within the state for the handling and disposal of liquid and hazardous waste.

Liquid Waste

The disposal of runoff, wastewater, or spent hydroponic nutrient solution generated as a byproduct of cultivation will be accomplished using environmentally sound procedures consistent with applicable regulations and local ordinances. We will record and maintain all necessary information regarding wastewater in a Waste Disposal Log. We will never dispose of anything in outside storm drains and will keep areas surrounding dumpsters free of waste and debris. The facility design will conserve water by collecting reusable greywater and processing it through reverse osmosis. The processed water can then be used for equipment cleaning and general sanitation purposes. Over watering can also produce an inordinate amount of wastewater; we will limit water spills by using automated timers to fill reservoirs.

Potentially Hazardous Wastes

Toxic compounds, including hazardous waste and liquid waste, sanitizing agents, pesticides, fertilizers, nutrients, solvents, and other chemicals used in the production of cannabis will be identified, labeled, held, stored and disposed of in a manner that ensures employee safety and protects against contamination of cannabis. Disposal will be performed in accordance with product label directions and in compliance with any applicable local, state, and federal law, rule, regulation or ordinance.

Labeling Wastes

Hazardous Waste containers will be labeled with a Hazardous Waste Chemical Discard Tag or other state required label. The tag should be clearly visible and not obscure any previous notations written on the container. Each SOP will include a full list of chemical ingredients in the waste material along with the generating process and date.

Workplace Safety and Emergency Response

Security training for employees will include procedures for facility inspections at the end of each day. This inspection will include a walkthrough of each room to check for visible security risks including inoperative security lighting, damaged or inoperative security equipment, or unauthorized persons in the facility.

We will conduct regular security and safety drills to ensure that employees know the correct action to take in various situations. Drills will train facility employees to protect themselves and to also observe and review the security procedures for limitations that can be improved by modifications to security systems, altering response plans, or improving employee awareness of protocols.

Throughout the business day, a minimum of two employees will be present in the facility, especially during opening and closing procedures. Additionally, our security vendor(s) will monitor the licensed premises 24 hours a day, at both occupied and unoccupied times.

Incident Reporting

Incident reports will compile a record of events, witnessed by employees or recorded on the security and surveillance system, so that a chain of events leading to possible break-ins or internal theft may be identified. An “incident” may be anything substantially out of the ordinary or suspicious that occurs during or after normal business hours. An attempted burglary or break-in, the presence of unauthorized individuals, or an employee injury are all examples of noteworthy incidents that should be documented. Serious incidents associated with theft or loss will be reported to the state and law enforcement agencies within 24 hours. Incident Report forms (please see Appendix A – Logs and Forms) will include the following and be provided along with relevant video surveillance footage upon request:

- Witness name and contact information;

- Incident date, time, and location;
- Person(s) involved in incident;
- Description of injuries (if applicable);
- Witness description of incident; and,
- If incident involved or was reported to authorities, agency contact information including name(s) of agency employees.

The Emergency Operation Protocols (EOP) will anticipate and plan for as many emergency contingencies as possible, particularly during power losses from severe weather. Since power may go out, employees may only store non-perishable food and water at the facility. The facility will have the ability to communicate without power, cell phones, cable or other hard line telephones by using a battery operated two- way radio or a hand-crank radio and will maintain a supply of backup batteries. During an extended emergency, such as severe weather, resources will be carefully managed to mitigate issues with garbage storage as pick-ups may be delayed or halted.

Visitor Policy

The cultivation facility will not be open to public visitors. Only authorized contractors or vendors, law enforcement, state employees, and other individuals authorized by law will be permitted into the facility. No one under the age of 21 will be allowed to visit the facility.

Contractors will be required to schedule an appointment to access the facility and present both personal identification and company credentials to the authorized security personnel upon arrival at the facility. Security will copy or scan the visitor's credentials, record their identification details on the Facility Visitor Log, and issue them a visitor's badge. Visitors will be assigned an employee escort to keep track of their movements within the facility. When their scheduled appointment is finished, the visitor will return their badge to security. The Facility Visitor Log will be updated to reflect the time the badge was returned, all areas of the cultivation facility visited, and the visitor's final departure time.

Attachment: Nutrient or Growth Additive Log Sheet

Date of Feeding:	August 20, 2020
Time Feeding Began:	11:30 AM
Time Feeding Ended:	12:30 PM
Location (Block/Room/Table #):	Block 1, Room 2, Tables A - D
Size of Area Treated:	400 sq. ft.
Product Name:	Sample Product
Total Amount Applied (Pound, Ounce, Gallon, Liter):	1.0 Ounce
Dosage or Rate of Feeding:	1.0 Ounce per 100 sq. ft.
Employee/Individual Printed Name:	John Smith
Employee ID #:	ID #123456
Attach copy of nutrient label and SDS sheet:	See Attached

Attachment: Pesticide Application Log Sheet

Pesticide Application Log		
Crop: Cannabis		
Brand & Product:		
EPA registration #:		
Active Ingredient(s):		
Application Date:	Start Time:	Finish Time:
Restricted Entry Interval (REI):		Re-entry Allowed at this time:
Area, room or plant treated (RFID Tags):		
Dosage:	Total amount applied:	
How was this applied:		
Applicator Name:	Badge #:	
Signature:		
Comments:		

Attachment: Incident Report

To be completed by the witnessing/injured individual reporting the incident; if an incident involves multiple individuals each should fill out their own Incident Report form whenever possible.

Date/Time of Incident:	Date/Time of Report:
Witness Name:	Phone:
Email:	Date of Birth:
Name(s) of additional individuals involved:	Location of Incident:
<p>Were you injured? YES: __ NO: __</p> <p>If yes, please describe the type of injury:</p>	
<p>Was an outside agency notified? (police, paramedics, regulatory agency) YES: __ NO: __</p> <p>If yes, please provide contact information for each individual and agency (report #, agent name and email, phone number, etc.):</p>	
<p>Description of Incident:</p>	