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JBL Ventures, LLC
Cultivation and Operation Plan Addendum
APN: 507-261-020
Approved APP# 11968
Pending APP#18086

**2.0 Project Modification to Add Distribution and Mutual Owner Produced
Product Processing to Existing Project**

Description of Existing Project Modification

The current cultivation operations will not be modified in any way by this proposed project modification. All current cultivation operations will remain unchanged.

There will be no modification to existing site stored or used products, waste stream, employee count or any other component of the existing operation other than the additional procedures described below.

Distribution Operations

Distribution operations will be added to the area featured on the site map (Call out "D") which was previously a non-cannabis use storage area. The primary purpose of this proposed plan modification will be to provide the opportunity for JBL Ventures, LLC to have compliance testing of products produced on-site performed on-site. The process will include having a third party licensed test provider come to the site, take random batch samples which will be removed from the site and taken to the licensed third party testing location where the samples will be tested, the test results will be provided to JBL Ventures, LLC who will then apply compliance certified stickers to the batch products which pass testing standards. Batches which passed the testing procedure and have been labeled accordingly will then be picked up by, or transported to, other third party licensed distributors or third party licensed retail facilities for delivery through the supply chain. The intent being to bring an outsourced expense inhouse and thereby reduce expenses and have a more streamline entry into the market place. An additional advantage to this process will include the ability of JBL Ventures, LLC to maintain and ensure enhanced quality control by avoiding additional transportation steps and storage of JBL Ventures, LLC product in a third party's storage facility while the batch testing is performed. Less transportation and the ability to maintain known storage conditions will ensure a superior product is provided to the market place.

In the future, once JBL Ventures, LLC has attained all necessary supporting state license(s), transportation to other licensed distribution or licensed retail sales locations may become part of the operation. Currently all JBL Ventures, LLC product is picked up from the JBL Ventures, LLC facility by the licensed third party distributor and it will be beneficial to have the option to transport product to the licensed distribution facility. Being able to perform transportation will amount to a market advantage over current operational conditions which limit transportation services to be performed by other

licensed third parties. This will result in an operational cost savings and enhanced marketability for JBL Ventures, LLC product.

Currently JBL Ventures, LLC packages their own on-site produced product for sale per the authorization of the existing permit and license. Upon approval of the distribution permit and supporting state license, JBL Ventures, LLC may begin packaging other licensed cultivators products.

The immediate intent is to begin testing according to the above procedure as soon as the permit modification and supporting license is approved. The other distribution operations discussed above may be incorporated in the future once the permit modification and supporting license(s) are approved.

Processing Operations

This project modification is to incorporate processing of mutual owner produced products at this project location without any other project modification.

The current processing area will remain unchanged as to location and setup. The project employee count will remain unchanged. No additional parking will be needed to accommodate this project modification. No additional water use will be needed to support this modification nor any additional waste water generated due to this modification.

There will be one additional delivery from the mutually owned Eureka project location (Eureka City Permit No. CLR-22-0055 and State License No. CCL-21-0006) to bring the product produced at the mutually owned Eureka location to the Arcata project location (Humboldt County App#11968 approved cultivation project & App#18086 pending CUP modification) once every 6-9 weeks on average. Other than the one additional delivery every 6-9 weeks on average no additional impacts are anticipated with this proposed project modification.