



COUNTY OF HUMBOLDT
PLANNING AND BUILDING DEPARTMENT
CURRENT PLANNING DIVISION

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Phone: (707)445-7541 Fax: (707) 268-3792

Hearing Date: December 14, 2017

To: Humboldt County Planning Commission

From: John H. Ford, Director of Planning and Building Department

Subject: **West River Lane, LLC Zoning Reclassification, Special Permits and Conditional Use Permit**

Application Number 1342, 12993, 13010, 12985
Case Number ZR17-002, SP16-717, SP16-725, CUP16-945
Assessor Parcel Number 077-331-032-000
3525 Redwood Drive, Redway, CA 95560

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Please contact Michael Richardson, Supervising Planner at 268-3723, or by email at mrichardson@co.humboldt.ca.us, if you have any questions about the scheduled public hearing item.

AGENDA ITEM TRANSMITTAL

Hearing Date December 14, 2017	Subject Zone Reclassification, Special Permits and Conditional Use Permit	Contact Michael Richardson
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Project Description: This project includes four components. First, West River Lane LLC seeks to rezone their entire property from CH-Highway Service Commercial to Qualified C-2 Community Commercial. The proposed Q - Qualified Zone will maintain the development standards of the CH Zone in terms of building height, setbacks and minimum lot size. And within the existing 3,600 square foot commercial structure on the property, Redline LLC requests a Special Permit for a cannabis manufacturing facility, Bravo Zulu LLC requests a Special Permit for a cannabis distribution facility, and Eagle One LLC requests a Conditional Use Permit for a cannabis dispensary. The manufacturing and distribution businesses would be open from 7am - 7 pm Monday through Sunday. The dispensary is only allowed to be open from 10am to 7 pm. The proposed manufacturing use takes raw plant materials and uses a heated bench-press to squeeze the oils out. It also involves packaging of cannabis material and cannabis extracts for sale. The only "chemicals" are standard household cleaning supplies and even the use of those is very limited. The application includes detailed Plans of Operations on file for each business addressing all the requirements of the County's Dispensary and Commercial Medical Marijuana Ordinances. The project includes requests for exceptions from the parking and loading space requirements. There are anticipated to be up to 10 employees total at peak shift and one parking space for the caretaker residence for a total of 15 required spaces. The applicant is showing eight parking spaces are provided on-site, seven fewer than what would normally be required. Justification for the parking exception request is that the property is near an urban built-up area (downtown Redway). The typical loading space is 10' x 60'. The applicant is proposing a 10'x20' loading space because the vehicles used for commercial delivery will all be less than 20 feet long.

Project Location: The project site is in Humboldt County in the Redway Area on the east side of Redwood Drive approximately 300 feet north of the intersection of Redwood Drive and Briceland-Thorne Road on the property known as 3525 Redwood Drive.

Present Plan Land Use Designation: Commercial Services (CS)
Slope Stability: Moderate Instability (2).

Present Zoning: Highway Service Commercial (CH)

Case Numbers: ZR17-002 (rezone), SP16-717 (distribution), SP16-725 (manufacturing), CUP16-945 (dispensary)

Application Numbers: 13421 (rezone), 12993 (distribution), 13010 (manufacturing), 12985 (dispensary)

Assessor Parcel Number: 077-331-032-000

Applicants
West River Lane LLC
Ben Wilke
PO Box 1020
Garberville, CA 95542

Applicants
Eagle One, LLC - Dispensary
Skyler Keith
PO Box 898
Garberville, CA 95542

Owners
West River Lane LLC
Ben Wilke
PO Box 1020
Garberville, CA 95542

Applicants

Redline, LLC - Manufacturing
Noelle Salsbury
PO Box 35
Garberville, CA 95542

Applicants

Bravo Zulu, LLC - Distribution
Matt Anderson
1320 4th St
Berkeley, CA 94710

Agent

KP Title Solutions
Kerry Perkett
PO Box 606
Eureka, CA 95502

Environmental Review: No. CEQA Exemption Section: 15301-Existing Facilities and 15305-Minor Alterations in Land Use Limitations

Major Issues: None.

State Appeal Status: Project is NOT appealable to the California Coastal Commission.

West River Lane LLC Zoning Reclassification, Special Permits, Conditional Use Permit

Case Number ZR 17-002, SP16-717, SP16-725, CUP16-945

Assessor Parcel Number (APN): 077-331-032-000

Recommended Commission Action:

1. Describe the application as part of the Consent Agenda;
2. Call for public testimony regarding the agenda item; and
3. If no one requests discussion, take the following action:

"Move to make all of the required findings, based on evidence in the staff report and public testimony, and approve Redline LLC, Bravo Zulu LLC Special Permit and Eagle One LLC Conditional Use Permit applications subject to the approved conditions by adopting the attached Resolution of Approval #1 - #3."

4. *"Move to make all of the required findings, based on evidence in the staff report and public testimony, and recommend the Board of Supervisors approve the West River Lane LLC Zone Reclassification by adopting the attached Resolution of Approval #4 (roll call vote)."*

Executive Summary

The proposed zone reclassification will allow operation of a commercial cannabis manufacturing facility, distribution operations and a dispensary in compliance with the County Commercial Medical Marijuana Land Use Ordinance (CMMLUO). The rezone can be considered to be in the public interest because it provides additional commercial development potential in the Redway area with minimal impacts to county roads or other neighboring land uses because the property is on a the major collector road within two miles of Highway 101.

Redline LLC requests a Special Permit for a manufacturing center. The proposed manufacturing activity will occur within an existing commercial building. The proposed manufacturing use takes raw plant materials and uses a heated bench-press to squeeze the oils out. It also involves packaging of cannabis material and cannabis extracts for sale. The only "chemicals" are standard household cleaning supplies and even the use of those is very limited. Prior to manufacture, all raw cannabis material will be screened and tested by an independent State licensed or locally permitted laboratory to identify any mold or pesticide residue. The proposed manufacturing activity will occupy the first floor warehouse space- approximately 500 square feet on the first floor of the 3,600 square foot building. The parcel is served by public water and sewer. The facility will operate from 7am to 7pm. The manufacturing facility is solely for the purpose of wholesale vendors, therefore the public may not enter except for those who are licensed vendors. The proposed facility will process inventory by tracking all incoming raw and processed materials which will include the name and state license number of the cultivator, testing lab data(as applicable), the type of strain, supplier's product tracking identification data and a bill of lading from the transport company. Methods for track and trace of medical marijuana and medical marijuana-infused products are subject to change based on State Licensing Authority requirements. Redline LLC will abide by State regulations requiring warning labels and product details for packaging products.

A Special Permit has been requested by Bravo Zulu LLC to authorize operation of a medical-cannabis distribution facility, which will operate alongside the manufacturing facility, occupying approximately 700 square feet. Bravo Zulu will receive products from cultivation and processing facilities. The company will require all incoming products to be labeled with pertinent information such as Brazo Zulu's name and certificate number, lot number of product, date of harvest, date of final testing, the date which product is finally packaged, cannabinoid and terpenoid profiles and potencies, expiration dates for perishable products and finally the

quantity of cannabis contained in the product. There will be a security guard on the premises for enhanced safety and security of the building, cannabis products and employees. Bravo Zulu staff will conduct monthly and annual inventory control reviews for any discrepancies that may occur by utilizing the seed-to-sale inventory control system. The facility is also not open to the public except to those who provide state licenses.

All medical cannabis deliveries to the distribution facility will be received from a State licensed transport company, and all medical cannabis-infused products will be transported to State licensed/ locally permitted wholesale/distribution companies by a licensed transport company. Transportation manifests will be used to track movement of all cannabis and cannabis products including the shipping and receiving agent, quantities of product, make/ model of vehicle, departure time, and estimated arrival time, and there will be GPS transmitters attached to all distribution vehicles. Alerts may be established to notify management about late shipments.

Eagle One LLC requests a Conditional Use Permit to authorize a cannabis dispensary on the site location. The dispensary is proposed to operate in the retail space on the first floor of the building, consuming approximately 680 square feet. All patient/members recommendations are verified at the registration facility prior to permitting registration and access to the dispensing facility. Customers are required to provide evidence that they: 1) are a California resident 2) have a California ID or Driver's License and 3) have a recent Physician's recommendation for the medical use of Cannabis. All patient recommendations are verified prior to permitting access to the dispensing facility. All buying and selling of medicine is restricted to established members of the collective. All staff members will be properly educated and trained on all cannabis-related material and information.

Conditions of approval limit the hours of operation from 7am to 7pm Monday through Sunday for the distribution and manufacturing operations. The dispensary hours of operation are limited to between 10am to 7pm Monday through Sunday consistent with the dispensary ordinance. The Security Plan states the premises are locked and secured by an access control system which can identify authorized personnel and have 24 hour surveillance both indoors and outdoors utilizing state of the art surveillance technology. All medical marijuana products will be maintained in a locked vault inside the secure premises. There is no public access to either the building or the containers within the building.

The project includes requests for exceptions from the parking and loading space requirements. There are anticipated to be up to 10 employees total at peak shift and one parking space for the caretaker residence for a total of 15 required spaces. The applicant is showing eight parking spaces are provided on-site, seven fewer than what would normally be required. Justification for the parking exception request is that the property is near an urban built-up area (downtown Redway). The typical loading space is 10' x 60'. The applicant is proposing a 10'x20' loading space because the vehicles used for commercial delivery will all be less than 20 feet long.

The project, as proposed and conditioned, meets all of the performance standards of the CMMLUO, and the requirements of both the General Plan and zoning ordinance. And given the small size of the project, the use of a non-volatile manufacturing process, and the location of the project in a developed commercial building in a developed commercial part of downtown Redway, there is evidence the project meets all of the required findings. Furthermore, as proposed, the project meets the criteria for exemption from environmental review pursuant to Section 15301 of the State CEQA Guidelines, which pertains to use of existing facilities involving limited or no expansion.

Registration / Verification / Recordkeeping

Member registration will occur at the site. During registration, a registrant's physician's recommendation (for the use of medical cannabis) and CA resident status is verified. A website is used to check the information from the recommending physician. A physician's license can be verified on-line at <http://www.medbd.ca.gov/licensee>. Following this, each new member is assigned a patient number and given information on the dispensary. A member's 'primary caregiver' may also be registered at this time. Members are required to sign a registration form (which includes acknowledgement of the various rules & procedures of the collective) that is then copied along with the physician's recommendation and photo ID and kept on file. A computer program is used to track all transactions and monitor the status of a patient's "physician's recommendation".

Alternatives: The Planning Commission could elect not to approve the project, or to require the applicant to submit further evidence supporting the required findings, or modify the project to conform to the required findings. These alternatives could be implemented if the Commission is unable to make all of the required findings. Planning Division staff believes that the required findings in support of the proposal can be made, so Planning staff does not recommend further consideration of these alternatives.

**RESOLUTION OF THE PLANNING COMMISSION #1
OF THE COUNTY OF HUMBOLDT
Resolution Number 17-**

**Case Number SP16-725 (manufacturing)
Assessor's Parcel Numbers: 077-331-032-000**

Makes the required findings for certifying compliance with the California Environmental Quality Act and conditionally approves the Redline LLC, Special Permit request.

WHEREAS, Redline LLC submitted an application and evidence in support of approving the Special Permit for the manufacturing facility; and

WHEREAS, the County Planning Division has reviewed the submitted application and supporting substantial evidence and has referred the application and evidence to involved reviewing agencies for site inspections, comments and recommendations; and

WHEREAS, the project is exempt from environmental review per 15301 (Existing Facilities) of the CEQA Guidelines; and

WHEREAS, Attachment 2 in the Planning Division staff report includes substantial evidence in support of making all of the required findings for approving the proposed Special Permit (Case Number SP16-725 - manufacturing); and

WHEREAS, a public hearing was held on the matter before the Humboldt County Planning Commission on December 14, 2017.

NOW, THEREFORE, be it resolved, determined, and ordered by the Humboldt County Planning Commission that the following findings be and are hereby made:

1. The proposed project is exempt from environmental review; and
2. The findings in Attachment 2 of the Planning Division staff report for Case Number SP16-725 are supported by the submitted substantial evidence; and
3. Special Permit Case Number SP16-725 (manufacturing) is approved as recommended and conditioned in Attachment 1.

Adopted after review and consideration of all the evidence on _____, 2017.

The motion was made by COMMISSIONER _____ and second by COMMISSIONER _____ and the following vote:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

DECISION:

I, John Ford, Secretary to the Planning Commission of the County of Humboldt, do hereby certify the foregoing to be a true and correct record of the action taken on the above entitled matter by said Commission at a meeting held on the date noted above.

John Ford
Director, Planning and Building Department

**RESOLUTION OF THE PLANNING COMMISSION #2
OF THE COUNTY OF HUMBOLDT
Resolution Number 17-**

**Case Number SP16-717 (distribution)
Assessor's Parcel Numbers: 077-331-032-000**

Makes the required findings for certifying compliance with the California Environmental Quality Act and conditionally approves the Bravo Zulu LLC, Special Permit request.

WHEREAS, Bravo Zulu LLC submitted an application and evidence in support of approving the Special Permit for the distribution operations; and

WHEREAS, the County Planning Division has reviewed the submitted application and supporting substantial evidence and has referred the application and evidence to involved reviewing agencies for site inspections, comments and recommendations; and

WHEREAS, the project is exempt from environmental review per Section 15061 (b)(3) (General Rule), 15301 (Existing Facilities) of the CEQA Guidelines; and

WHEREAS, Attachment 2 in the Planning Division staff report includes substantial evidence in support of making all of the required findings for approving the proposed Special Permit (Case Number SP16-717 - distribution); and

WHEREAS, a public hearing was held on the matter before the Humboldt County Planning Commission on December 14, 2017.

NOW, THEREFORE, be it resolved, determined, and ordered by the Humboldt County Planning Commission that the following findings be and are hereby made:

1. The proposed project is exempt from environmental review; and
2. The findings in Attachment 2 of the Planning Division staff report for Case Number SP16-717 are supported by the submitted substantial evidence; and
3. Special Permit Case Number SP16-717 (distribution) is approved as recommended and conditioned in Attachment 1.

Adopted after review and consideration of all the evidence on _____, 2017.

The motion was made by COMMISSIONER _____ and second by COMMISSIONER _____ and the following vote:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

DECISION:

I, John Ford, Secretary to the Planning Commission of the County of Humboldt, do hereby certify the foregoing to be a true and correct record of the action taken on the above entitled matter by said Commission at a meeting held on the date noted above.

John Ford
Director, Planning and Building Department

**RESOLUTION OF THE PLANNING COMMISSION #3
OF THE COUNTY OF HUMBOLDT
Resolution Number 17-**

**Case Number CUP16-945
Assessor's Parcel Numbers: 077-331-032-000**

Makes the required findings for certifying compliance with the California Environmental Quality Act and conditionally approves the Eagle One LLC, Conditional Use Permit request.

WHEREAS, Eagle One LLC submitted an application and evidence in support of approving the Conditional Use Permit for the cannabis dispensary; and

WHEREAS, the County Planning Division has reviewed the submitted application and supporting substantial evidence and has referred the application and evidence to involved reviewing agencies for site inspections, comments and recommendations; and

WHEREAS, the project is exempt from environmental review per Section 15061 (b)(3) (General Rule), 15301 (Existing Facilities) of the CEQA Guidelines; and

WHEREAS, Attachment 2 in the Planning Division staff report includes substantial evidence in support of making all of the required findings for approving the proposed Conditional Use Permit(Case Number CUP16-945 - dispensary); and

WHEREAS, a public hearing was held on the matter before the Humboldt County Planning Commission on December 14, 2017.

NOW, THEREFORE, be it resolved, determined, and ordered by the Humboldt County Planning Commission that the following findings be and are hereby made:

1. The proposed project is exempt from environmental review; and
2. The findings in Attachment 2 of the Planning Division staff report for Case Number CUP16-945 are supported by the submitted substantial evidence; and
3. Conditional Use Permit Case Number CUP16-945 (dispensary) is approved as recommended and conditioned in Attachment 1.

Adopted after review and consideration of all the evidence on _____, 2017.

The motion was made by COMMISSIONER _____ and second by COMMISSIONER _____ and the following vote:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

DECISION:

I, John Ford, Secretary to the Planning Commission of the County of Humboldt, do hereby certify the foregoing to be a true and correct record of the action taken on the above entitled matter by said Commission at a meeting held on the date noted above.

John Ford
Director, Planning and Building Department

**RESOLUTION OF THE PLANNING COMMISSION #4
OF THE COUNTY OF HUMBOLDT
Resolution Number 17-**

**Case Number ZR 17-002
Assessor's Parcel Numbers: 077-331-032-000**

Recommending the Humboldt County Board of Supervisors certify compliance with the California Environmental Quality Act and approve the West River Lane LLC Zone Reclassification request.

WHEREAS, West River Lane LLC submitted an application and evidence in support of approving the Zone Reclassification from CH - Highway Service Commercial to C-2-Q Qualified Community Commercial; and

WHEREAS, the County Planning Division has reviewed the submitted application and supporting substantial evidence and has referred the application and evidence to involved reviewing agencies for site inspections, comments and recommendations; and

WHEREAS, the project is exempt from environmental review per Section 15305 - Minor Alterations in Land Use Limitations - of the CEQA Guidelines; and

WHEREAS, Attachment 2 in the Planning Division staff report includes substantial evidence in support of making all of the required findings for approving the proposed Zone Reclassification (Case Number ZR 17-002); and

WHEREAS, a public hearing was held on the matter before the Humboldt County Planning Commission on December 14, 2017.

NOW, THEREFORE, be it resolved, determined, and ordered by the Humboldt County Planning Commission that the following findings be and are hereby made:

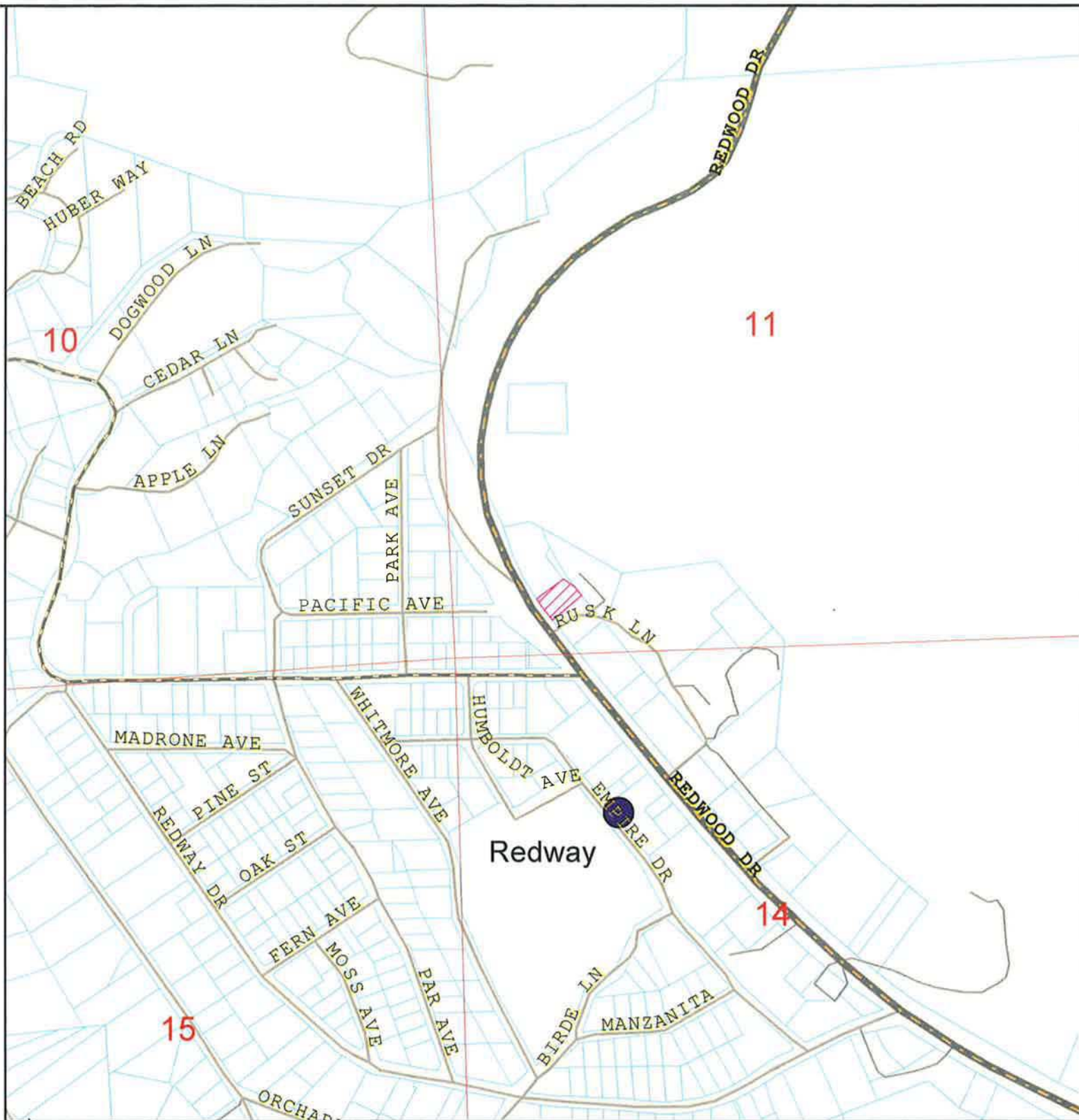
1. The findings in Attachment 2 of the Planning Division staff report for Case Number ZR 17-002 are supported by the submitted substantial evidence; and
2. The Planning Commission recommends that the Board of Supervisors of the County of Humboldt:
 - Hold a public hearing in the manner prescribed by law.
 - Adopt the Planning Commission's findings.
 - By ordinance, approve the Zone Reclassification from CH to C-2-Q on the subject parcel.
 - Direct the Planning Division to prepare and file a Notice of Exemption pursuant to CEQA for the project.
 - Direct the Clerk of the Board to publish a post approval summary in a newspaper of general circulation, and give notice of the decision to interested parties.

Adopted after review and consideration of all the evidence on _____, 2017.
The motion was made by COMMISSIONER _____ and second by COMMISSIONER _____ and the following ROLL CALL vote:

AYES: COMMISSIONERS:
NOES: COMMISSIONERS:
ABSENT: COMMISSIONERS:
ABSTAIN: COMMISSIONERS:
DECISION:

I, John Ford, Secretary to the Planning Commission of the County of Humboldt, do hereby certify the foregoing to be a true and correct record of the action taken on the above entitled matter by said Commission at a meeting held on the date noted above.

John Ford
Director, Planning and Building Department



LOCATION MAP

**PROPOSED WEST RIVER LAND DEVELOPMENT
REDWAY AREA**

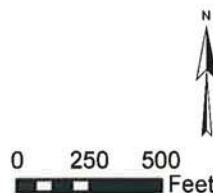
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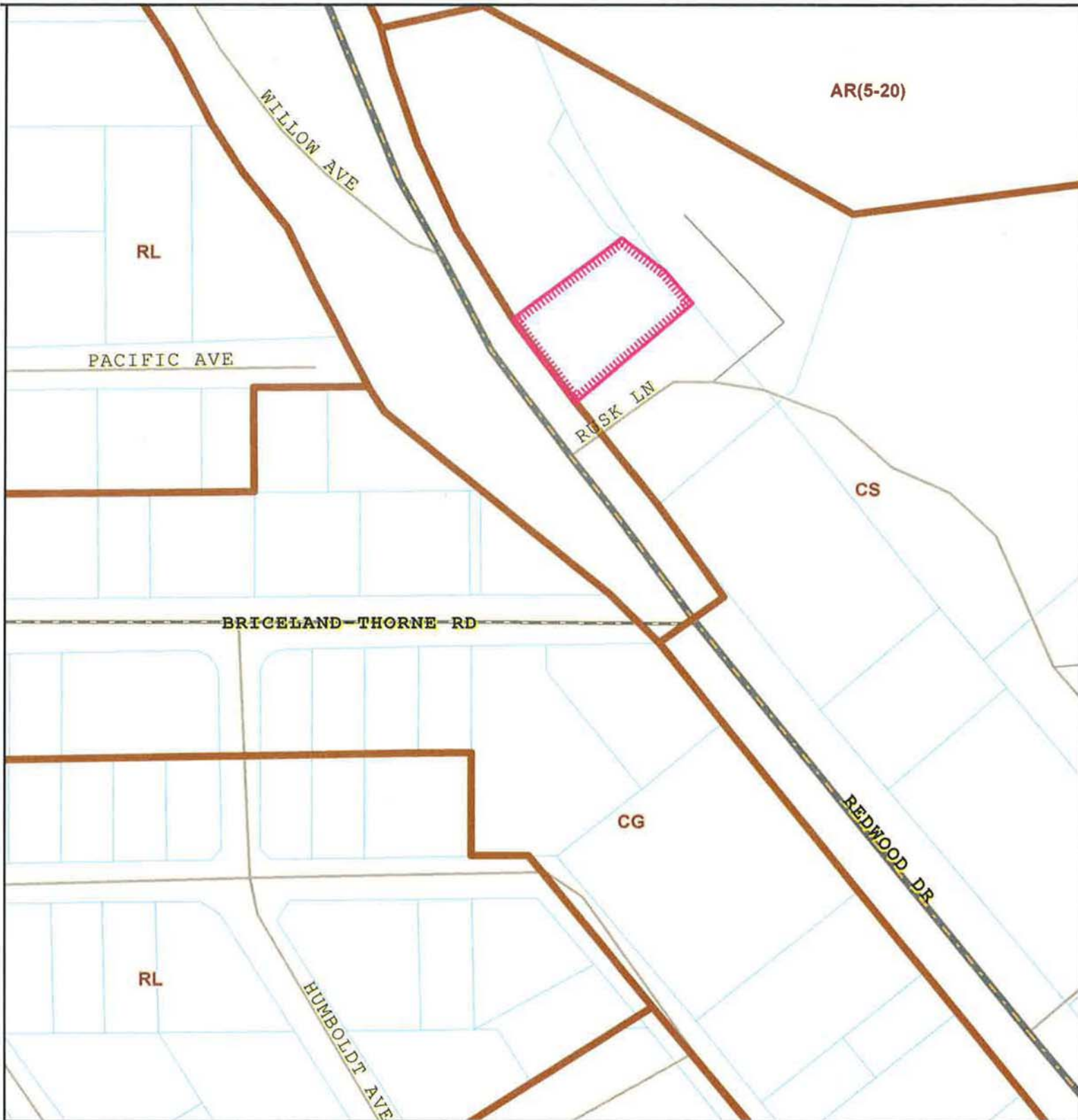
T04S R03E S11 HB&M (REDWAY)

PLS Sections ———

Project Area = 

This map is intended for display purposes and should not be used for precise measurement or navigation. Data has not been completely checked for accuracy.





GENERAL PLAN LAND USE MAP

**PROPOSED WEST RIVER LAND
DEVELOPMENT REDWAY AREA**

APN: 077-331-032

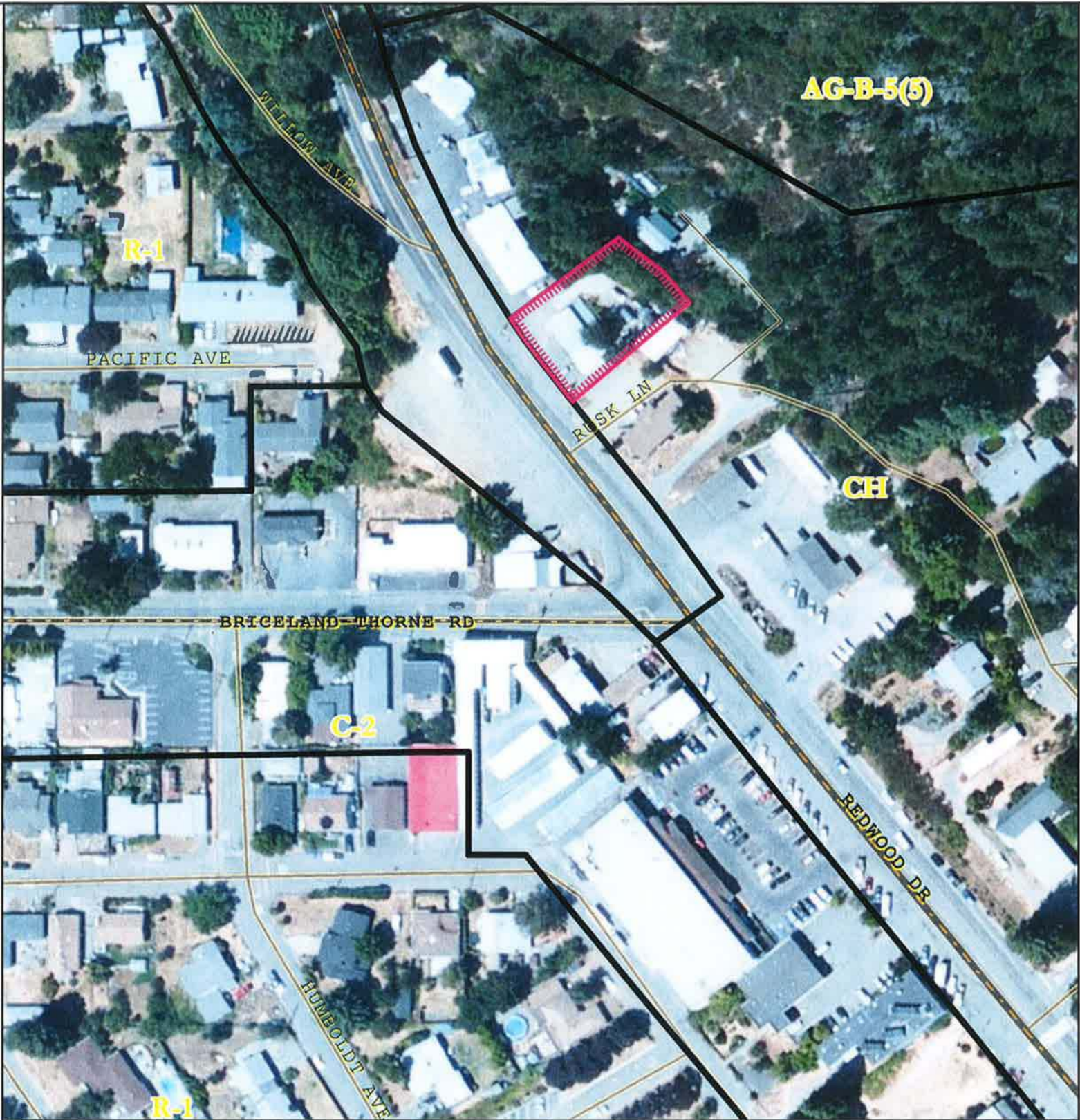
T04S R03E S11 HB&M (REDWAY)

Project Area = 

This map is intended for display purposes and should not be used for precise measurement or navigation. Data has not been completely checked for accuracy.




MAP NOT TO SCALE



AERIAL ZONING MAP

**PROPOSED WEST RIVER LAND DEVELOPMENT
REDWAY AREA**

Project Area = 

**APN: 077-331-032
T04S R03E S11 HB&M (REDWAY)**

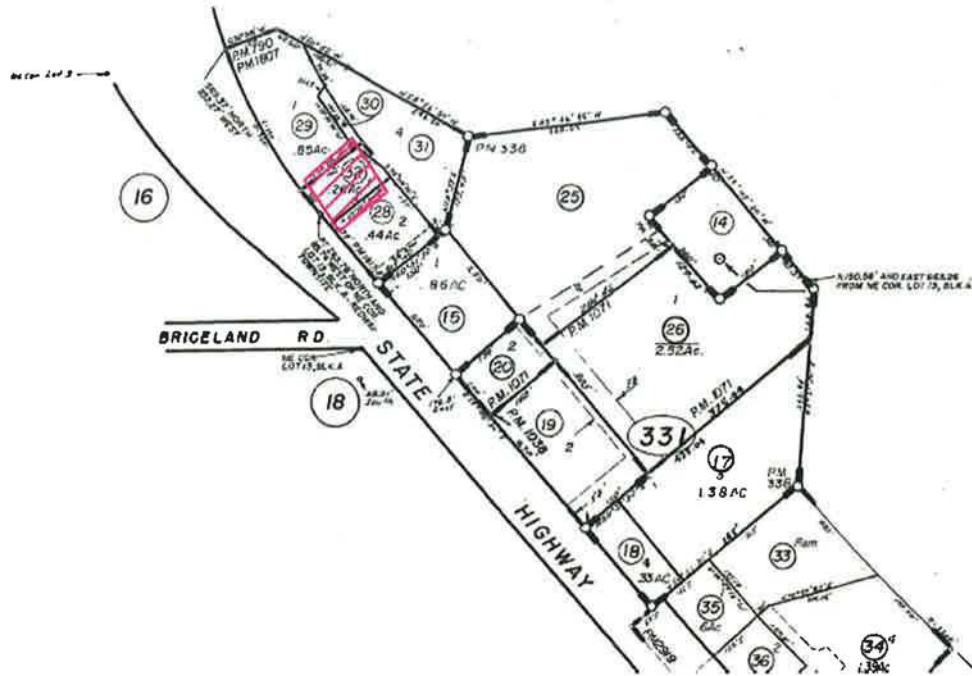


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MAP NOT TO SCALE

POR. SEC. 11 & 14, T. 4 S., R. 3 E., H. B. & M.

77-33



ASSESSORS PARCEL MAP
PROPOSED WEST RIVER LAND DEVELOPMENT
REDWAY AREA
APN: 077-331-032
T04S R03E S11 HB&M (REDWAY)

Project Area = 

This map is intended for display purposes and should not be used for precise measurement or navigation. Data has not been completely checked for accuracy.

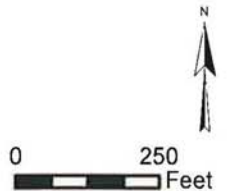
MAP NOT TO SCALE 



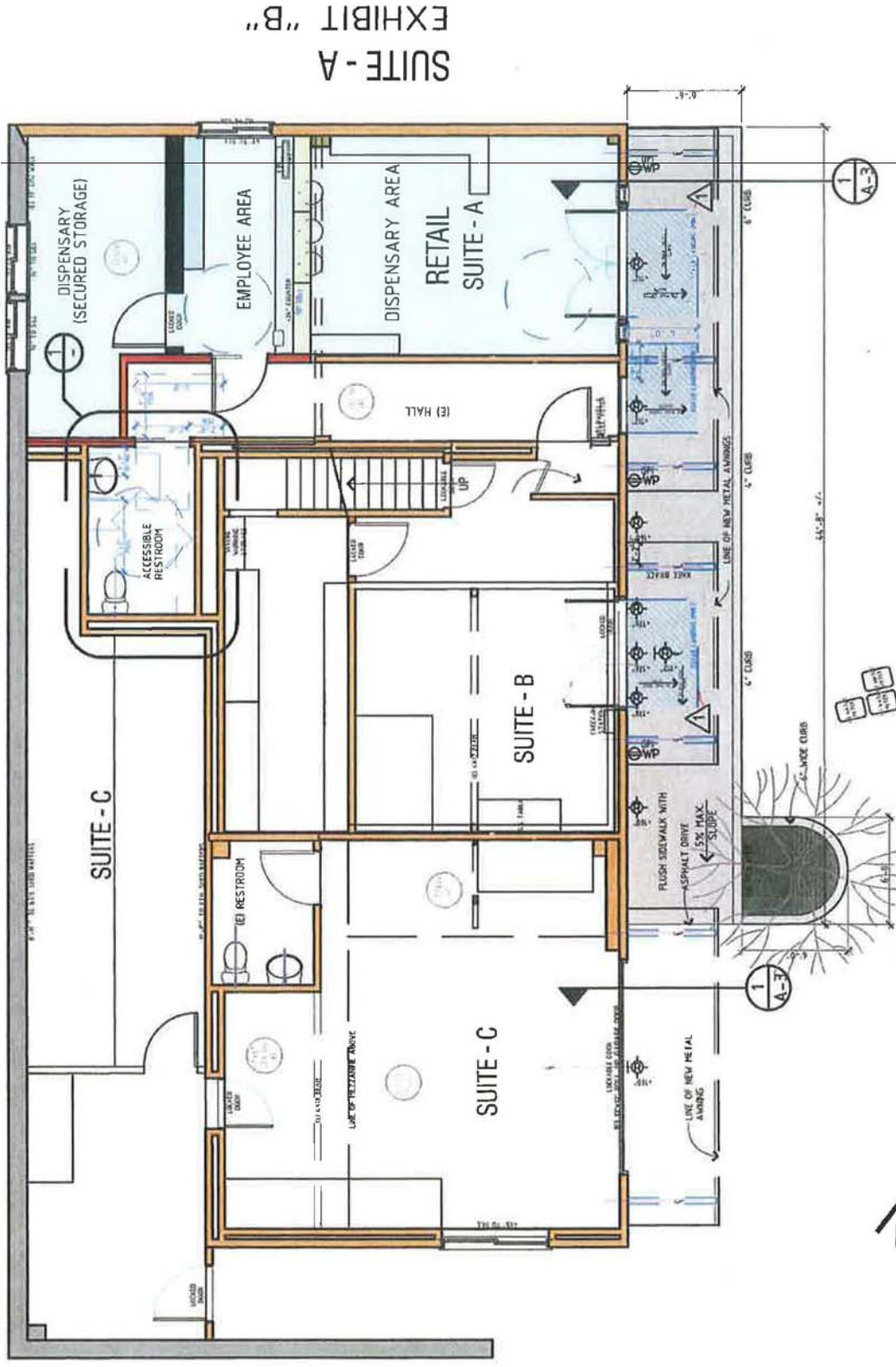
AERIAL IMAGE
PROPOSED WEST RIVER LAND DEVELOPMENT
REDWAY AREA
APN: 077-331-032
T04S R03E S11 HB&M (REDWAY)

Project Area = 

This map is intended for display purposes and should not be used for precise measurement or navigation. Data has not been completely checked for accuracy.



LICENSE - TYPE 10A - DISPENSARY



SUITE - A
EXHIBIT "B"

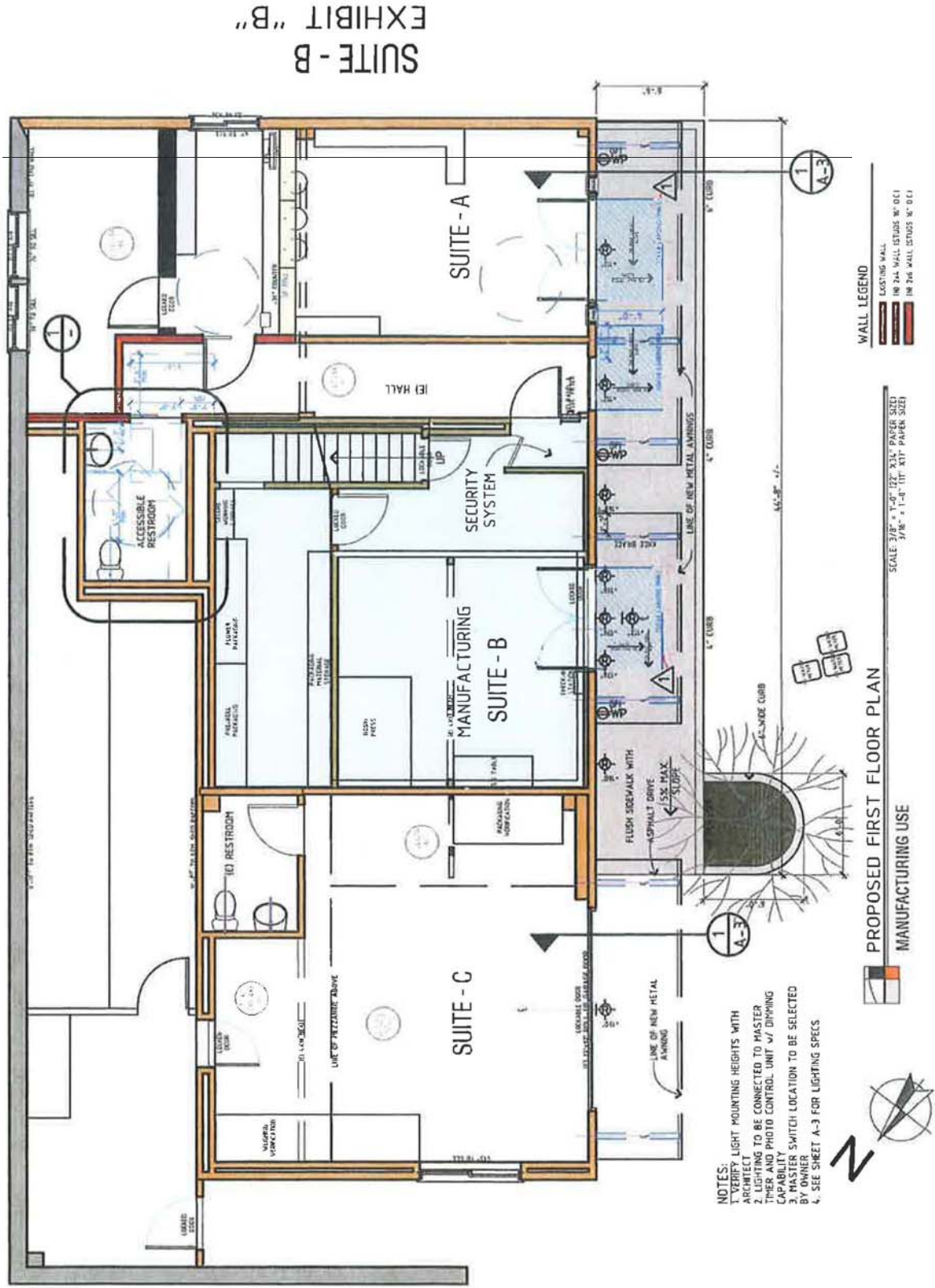
WALL LEGEND
 EXISTING WALL
 7/8" WALL (STUDS @ 16")
 3/4" WALL (STUDS @ 16")

SCALE: 3/8" = 1'-0" (31" X 43" PAPER SIZE)
 3/16" = 1'-0" (11" X 17" PAPER SIZE)

PROPOSED FIRST FLOOR PLAN
 DISPENSARY USE



LICENSE - TYPE 6 - MANUFACTURING



SUITE - B
EXHIBIT "B"

ATTACHMENT 1
RECOMMENDED CONDITIONS OF APPROVAL

A. APPROVAL OF THE SPECIAL PERMITS AND CONDITIONAL USE PERMIT IS CONDITIONED ON THE FOLLOWING TERMS AND REQUIREMENTS WHICH MUST BE SATISFIED BEFORE RELEASE OF THE BUILDING PERMIT AND INITIATION OF OPERATIONS.

1. The applicant shall secure approval of the Zone Reclassification from the Humboldt County Board of Supervisors. The Special Permits are not effective until the Zone Reclassification has been approved.
2. Building permits are required for all tenant improvements. The applicant must specify on the building plans the prior use of all tenant spaces in the building. All work done shall meet current Structural, Electrical, Plumbing and Mechanical Codes. Issuance of a building permit for the necessary tenant improvements, or written documentation from the Building Department that no building permits are required shall satisfy this condition.
3. Off-street parking and access aisles located on APNs 077-331-032 shall be improved by removing perpendicular parking stalls and install "parallel parking only" signs, or by receiving a permit from the Department of Public Works after they present an Ordinance for approval by the Board of Supervisors.
4. To insure the safety of the collective members, applicant shall have a qualified laboratory test samples of all medicine for pesticides, herbicides, mold, mildew, and pests.
5. The Collective shall retain a security guard or designated staff member to enforce rules of the collective prohibiting: loitering, smoking, or sharing of medicine on-site or within the vicinity. Collective members who violate the terms of this permit shall be subject to suspension and/or exclusion from membership.
6. A final Signage Plan shall be submitted subject to review and approval by the Planning Director. Signage shall be compatible and not distract from with surrounding uses in the area.

B. Development Restrictions

1. All components of project shall be developed, operated, and maintained in conformance with the Project Description, the approved Site Plan, the Plan of Operations, and these conditions of approval. Changes shall require modification of this permit except where consistent with Humboldt County Code Section 312-11.1, Minor Deviations to Approved Plot Plan.
2. Where feasible, new utilities shall be underground or sited unobtrusively if above ground.
3. The project shall address odor management by incorporating a ventilation/air filtration system which limits potential adverse odor emission impacts to employees and/or properties located in the vicinity. The system shall be designed, signed, and stamped by a mechanical engineer for review and approval by the Building Official.
4. The applicant shall conform to all Public Works requirements for on-site parking and loading. Public Works sign off on the building permit or other similar communication is required prior to initiation of any operations authorized by this permit.
5. The approved project shall meet all applicable fire codes, including fire suppression infrastructure requirements deemed necessary for the project by the Building Inspection Division. Sign off on the Occupancy Permit by the Building Division shall satisfy this requirement.

6. If operation of the business requires use of a volatile liquid the applicant shall identify the liquid, the amounts to be stored on site, and provide a Material Safety Data Sheet Report for review and approval by the Building Official.
7. Construction hours shall be limited to between the hours of 8:00 a.m. and 7:00 p.m. Monday through Friday, and between 9:00 and 7:00 p.m. on Saturdays. No heavy equipment related construction activities shall be allowed on Sundays or nationally recognized holidays.
8. The applicant shall execute an Affidavit for Non-diversion of Medical Cannabis on a form provided by the Planning Division.

C. Operation Restrictions

1. The hours of operation shall be Monday thru Sunday; 7AM – 7PM for the manufacturing and distribution uses. The hours of operation shall be Monday thru Sunday; 10AM – 7PM for the dispensary use.
2. The collective will provide adequate security on the premises, including lighting and alarms, to insure the safety of persons and to protect the premises from theft.
3. The collective shall operate at all times in conformance with the provisions of Humboldt County Ordinance #2554.
4. No cannabis shall be smoked, ingested, or otherwise consumed on the premises.
5. The collective shall not hold or maintain a license from the State Department of Alcohol Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages.
6. The collective shall maintain records of all patients using only the identification card number issued by the county, or its agent, pursuant to California Health and Safety Code Section 11362.7 et seq., as protection of the confidentiality of the cardholders, or a copy of the written recommendation.
7. The collective shall conduct routine background checks for employees and shall disqualify for employment any person with a prior felony conviction for the sale and/or distribution of controlled substances.
8. As identified under the 2008 Attorney General Guidelines (for the Security and Non-Diversion of Marijuana Grown for Medical Use), the Collective shall "track and record the source of their marijuana", and keep records of its division and distribution.
9. The collective shall permit the Planning Director or his/her designee to have access to the entities' books, records, accounts, and any and all data relevant to its permitted activities for the purpose of conducting an audit or examination in order to determine compliance with the conditions of the Conditional Use Permit. Books, records, accounts, and any and all relevant data will be produced no later than twenty-four (24) hours after the request from the Planning Director or his/her designee.
10. All compensation to Grower/Members providing excess medicine to the Collective shall be made by check. The Grower/Member shall provide or verify their Social Security Number (SSN) to the collective in association with each transaction. SSN's will be kept on file with the Collective and used to file 1099 forms for each Grower/Member at the end of each fiscal year.
11. The collective shall provide the Planning Director or his/her designee, the Sheriff, and all neighboring property owners within three-hundred (300) feet of the establishment with the

name, telephone number of an on-site representative of the collective to whom one can provide notice if there are operating problems associated with the facility. The collective shall make every good faith effort to encourage neighbors to call this contact person to try and solve problems, if any, before calls or complaints are made to the Sheriff or Planning Director. Should problems arise that cannot be adequately resolved in this group-setting, the disgruntled party can petition the Planning Commission to initiate the process of permit revocation per §312-14, Humboldt County Code.

12. There is to be no loitering on or about the premises at any time. Further, the Sheriff shall provide to the Planning Director and/or his/her designee a list of any complaints and law enforcement related problems associated with the Collective, upon request.
13. The Collective shall participate in a third-party certification program (such as 'Clean Green' or an equivalent entity) which will perform inspections to verify that all cannabis is being grown and distributed in compliance with all state and local regulations. Each grower-member must agree to an annual on-site inspection by a non-conflicted third party. Inspections are intended to ensure that grower-members are legal and compliant in the numbers of plants they grow, and that growing is done in a safe and sustainable manner, away from public view, and inaccessible to minors.
14. A review fee for Conformance with Conditions as set forth in the schedule of fees and charges as adopted by ordinance of the Humboldt County Board of Supervisors (currently \$95.00) shall be paid to the Humboldt County Planning Division, 3015 "H" Street, Eureka. This fee is a deposit, and if actual review costs exceed this amount, additional fees will be billed at the County's current burdened hourly rate.
15. Patients younger than 18 will not be allowed membership except under special circumstances where they can provide "documentation of a serious condition for which treatment with medical cannabis has been recommended".
16. Methods used to track inventories, quantities, and distribution between verified members will match "standard industry procedures" which includes the following:
 - All incoming medicine will be assigned a lot number which will be retained as medicine is subsequently divided and distributed to members
 - All medical cannabis will be tracked by the gram
 - 'Quickbooks' or similar software shall be used as a point of sale to record transactions, inventory, invoicing, and revenue-related record keeping.
17. Patients shall receive medicine in individual units of no more than one ounce per visit. Patients are required to take the medicine directly home and not to share it with absolutely anyone. Membership shall be immediately revoked for any Patient found violating this rule.
18. The medical marijuana cooperative, collective or delivery service shall be inspected by the Humboldt County Sheriff or his/her designee and either members of the Code Compliance Division of Community Development Services or the Code Enforcement Investigator on an annual basis, or more frequently as requested by the Planning Commission, to determine if the cooperative, collective or delivery service is in compliance with its Conditional Use Permit and Operations Manual. After payment of the inspection fees as indicated in the following section, a copy of the results from this inspection shall be given to the medical marijuana collective, cooperative or delivery service for inclusion in their "Performance Review Report" to the Planning Commission.

19. Non-compliance by the medical marijuana collective, cooperative or delivery service in allowing the inspection by the above-mentioned County personnel, or non-compliance in submitting the annual "Performance Review Report" for review by the Planning Commission shall be deemed grounds for a revocation of the conditional use permit and/ or subject the holder of the conditional use permit to the penalties outlined in this Code, above. A deposit shall be collected for the County's time spent performing the inspection (based on the fees in effect at the time the request is submitted).

D. Ongoing Requirements/Development Restrictions Which Must be Satisfied for the Life of the Project:

1. Operations shall be consistent with the Project Description, Site Plan and the Plan of Operations as modified by Conditions of Approval B.1 through B.19, inclusive.
2. Consistent with Section 11362.775 of the Health and Safety Code, until or unless amended, all manufacturing operations shall comply with the following standards:
 - A. Operations utilize only manufacturing processes that are solventless, and do not involve the use of pressurized CO₂.
 - B. The building used for cannabis activity shall meet all required fire, safety, and building code requirements in one or more of the following:
 - (1) The California Fire Code.
 - (2) The National Fire Protection Association (NFPA) standards.
 - (3) International Building Code (IBC).
 - (4) The International Fire Code (IFC).
 - (5) Other applicable standards, including complying with all applicable fire, safety, and building codes in processing, handling, and storage of solvents or gasses.
3. All new and existing outdoor lighting shall be compatible with the existing setting and directed within the property boundaries.
4. Commercial cannabis activity shall be conducted in compliance with all laws and regulations as set forth in the Humboldt County Commercial Medical Marijuana Land Use Ordinance (CMMLUO) and the Medical Cannabis Regulation and Safety Act (MCRSA), as may be amended from time to time, as applicable to the permit type.
5. Possession of a current, valid required license, or licenses, issued by any agency of the State of California in accordance with the MCRSA, and regulations promulgated thereunder, as soon as such licenses become available.
6. Possession of a current, valid permit or license, issued by the Humboldt County Department of Health and Human Services-Environmental Health Division, as soon as such permits or licenses become available.
7. All persons hiring employees to engage in commercial processing of medical cannabis shall comply with the following Employee Safety Practices:
 - A. Implement safety protocols and provide all employees with adequate safety training relevant to their specific job functions, which may include:
 - 1) Emergency action response planning as necessary;
 - 2) Employee accident reporting and investigation policies;
 - 3) Fire prevention;
 - 4) Hazard communication policies, including maintenance of material safety data

- 5) Materials handling policies;
 - 6) Job hazard analyses; and
 - 7) Personal protective equipment policies, including respiratory protection.
- B) Visibly post and maintain an emergency contact list which includes at a minimum:
- 1) Operation manager contacts;
 - 2) Emergency responder contacts;
 - 3) Poison control contacts.
- C) At all times, employees shall have access to safe drinking water and toilets and handwashing facilities that comply with applicable federal, state, and local laws and regulations. Plumbing facilities and water source must be capable of handling increased usage without adverse consequences to neighboring properties or the environment.
8. Odors shall be contained on the property on which the Cannabis activity is located. To implement this requirement air filtration and ventilation equipment is to be maintained in good working condition and monitored on an on-going basis to limit potential adverse odor emission impacts to employees and/or properties located in the vicinity. If the County receives any odor complaints, the permit holder shall work with the Building Official to correct odor concerns.
9. **Permit Duration.** Following initiation of the dispensary use as provided in E.3 below, the Permit for the medical cannabis dispensary shall remain in effect and shall run with the land until revoked or otherwise terminated. For the manufacturing and distribution uses, the Permit shall be valid for one year from the effective date of approval, and on the anniversary date of such effective each year thereafter, unless an annual compliance inspection has been completed and the permit(s) has/have been found to comply with all conditions of approval. In the event the inspection finds noncompliance, written notification shall be provided to the permit holder identifying the items not in compliance and the action the permit holder may take to cure the noncompliance. Failure to cure the noncompliance shall result in termination of the permit(s). The process of notification, re-inspection and appeal of any noncompliance determination shall be as set forth in sections 55.4.1.2.2 and 55.4.13 of the CMMLUO.
10. **Transfers.** Transfer of any leases or permits approved by this project is subject to the review and approval of the Planning Director for conformance with CMMLUO eligibility requirements, and agreement to permit terms and acknowledgments. The fee for required conformance with conditions review shall accompany the request. The request shall include the following information:
- (1) Identifying information for the new Owner(s) and management as required in an initial permit application;
 - (2) A written acknowledgment by the new Owner in accordance as required for the initial Permit application;
 - (3) The specific date on which the transfer is to occur; and
 - (4) Acknowledgement of full responsibility for complying with the existing Permit; and
 - (5) Execution of an Affidavit of Non-diversion of Medical Cannabis.
11. **Modifications to the Facility.** Prior to making any modifications to a permitted facility, the permittee shall submit to the Planning Director a request for determination of County approvals, together with the appropriate fee. The request shall contain a description

sufficiently detailed to allow the Planning Director to determine what permits and other approvals, are needed, and whether a modified Permit is required.

12. **Inspections.** The permit holder and subject property owner are to permit the County or representative(s) or designee(s) to make inspections at any reasonable time deemed necessary to assure that the activities being performed under the authority of this permit are in accordance with the terms and conditions prescribed herein.
13. All signage shall comply with Section 314-87.2 of the Humboldt County Code.
14. The operation shall participate in the Medical Cannabis Track and Trace Program administered by the Humboldt County Agricultural Commissioner, when available.
15. The manufacturing operations shall use the following best management practices to ensure the safety of employees and the manufactured product:
 - A. Ensure that the space in which any Medical Marijuana product is to be manufactured is a fully enclosed room and clearly designated on the approved floor plan.
 - B. Ensure that all applicable sanitary rules are followed.
 - C. Ensure that the standard operating procedure includes, but need not be limited to, step-by-step instructions on how to safely and appropriately:
 - a. Conduct all necessary safety checks prior to commencing handling;
 - b. Prepare Medical Marijuana for manufacturing;
 - c. Clean all equipment, counters and surfaces thoroughly; and
 - d. Dispose of any waste produced during the manufacturing of Medical Marijuana in accordance with all applicable local, state and federal laws, rules and regulations.
 - D. Establish written and documentable quality control procedures designed to maximize safety for employees and minimize potential product contamination.
 - E. Establish written emergency procedures to be followed by employees in case of a fire, chemical spill or other emergency.
 - F. Have a comprehensive training manual that provides step-by-step instructions for manufacturing medical marijuana products on its Licensed Premises. The training manual shall include, but need not be limited to, the following topics:
 - a. All standard operating procedures used at that Licensed Premises;
 - b. The quality control procedures;
 - c. The emergency procedures for the Licensed Premises;
 - d. The appropriate use of any necessary safety or sanitary equipment;
 - e. The hazards presented by all chemicals and solvents used within the Licensed Premises as described in the material safety data sheet for each chemical and solvent;
 - f. Clear instructions on the safe use of all equipment involved in each process and in accordance with manufacturer's instructions, where applicable; and
 - g. Any additional periodic cleaning required to comply with all applicable sanitary rules.

- G. Provide adequate training to every employee prior that to that individual undertaking any step in manufacturing a Medical Marijuana product.
 - a. Adequate training shall include, but need not be limited to, providing a copy of the training manual for that Licensed Premises and live, in-person instruction detailing at least all of the topics required to be included in the training manual.
 - b. The individual training each employee shall sign and date a document attesting that all required aspects of training were conducted and that he or she is confident that the trainee can safely handle and distribute a Medical Marijuana product.
 - c. The employee that received the training shall sign and date a document attesting that he or she can safely implement all standard operating procedures, quality control procedures, and emergency procedures, operate all equipment, use all safety, sanitary and other equipment and understands all hazards presented by the chemicals and solvents to be used within the Licensed Premises and any additional period cleaning required to maintain compliance with all applicable sanitary rules.
 - H. Maintain clear and comprehensive records of the name and signature of every individual who engaged in any step related to the manufacturing of any Medical Marijuana product and the step that individual performed.
16. Persons engaging in the manufacturing of any Medical Marijuana product shall:
- A. Be over 18 years of age.
 - B. Not have been convicted of a felony for the illegal possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance; a violent crime, as specified in subdivision (c) of Section 667.5 of the Penal Code; a serious crime, as specified in subdivision (c) of Section 1192.7 of the Penal Code; or a crime involving fraud, deceit, or embezzlement
 - C. Ensure that all equipment, counters and surfaces used in the manufacturing of any Medical Marijuana product is food-grade including ensuring that all counters and surface areas were constructed in such a manner that it reduces the potential for the development of microbials, molds and fungi and can be easily cleaned.
 - D. Ensure that all equipment, counters, and surfaces used in the manufacturing of any Medical Marijuana product are thoroughly cleaned after the completion of each Production Batch.
 - E. Ensure that the appropriate safety or sanitary equipment, including personal protective equipment, is provided to, and appropriately used by, each person engaged in the manufacturing of any Medical Marijuana product.

E. Informational Notes:

- 1. If cultural resources are encountered during construction activities, the contractor on site shall cease all work in the immediate area and within a 50 foot buffer of the discovery location. A qualified archaeologist as well as the appropriate Tribal Historic Preservation Officer(s) are to be contacted to evaluate the discovery and, in consultation with the applicant and lead agency, develop a treatment plan in any instance where significant impacts cannot be avoided.

The Native American Heritage Commission (NAHC) can provide information regarding the appropriate Tribal point(s) of contact for a specific area; the NAHC can be reached at 916-653-4082. Prehistoric materials may include obsidian or chert flakes, tools, locally darkened midden soils, groundstone artifacts, shellfish or faunal remains, and human burials. If human remains are found, California Health and Safety Code 7050.5 requires that the County Coroner be contacted immediately at 707-445-7242. If the Coroner determines the remains

to be Native American, the NAHC will then be contacted by the Coroner to determine appropriate treatment of the remains pursuant to PRC 5097.98. Violators shall be prosecuted in accordance with PRC Section 5097.99. **The applicant is ultimately responsible for ensuring compliance with this condition.**

2. The applicant is responsible for receiving all necessary permits and/or approvals from other state and local agencies.
3. This permit approval shall expire and become null and void at the expiration of one (1) year after all appeal periods have lapsed (see "Effective Date"); except where construction under a valid building permit or use in reliance on the permit has commenced prior to such anniversary date. Once initiated, the uses are subject to the Permit Duration and Renewal provisions set forth in Condition of Approval # C.9 of the On-Going Requirements /Development Restrictions, above. The period within which construction or use must be initially commenced may be extended as provided by Section 312-11.3 of the Humboldt County Code.
4. The applicant is required to pay for permit processing on a time and material basis as set forth in the schedule of fees and charges as adopted by ordinance of the Humboldt County Board of Supervisors. The Department will provide a bill to the applicant after the decision. Any and all outstanding Planning fees to cover the processing of the application to decision by the Hearing Officer shall be paid to the Humboldt County Planning Division, 3015 "H" Street, Eureka.

ATTACHMENT 2

Staff Analysis of the Evidence Supporting the Required Findings

Required Findings: To approve this project, the Hearing Officer shall determine that the applicants have submitted evidence in support of making **all** of the following required findings.

A. Section 312-50 of the Zoning Ordinance states the following findings must be made to approve changes in the Zoning Maps

1. The proposed zoning change is consistent with the General Plan.
2. The proposed change is in the public interest

B. Required Findings for Special Permits and Conditional Use Permits

The County Zoning Ordinance, Section 312-17.1 of the Humboldt County Code (Required Findings for All Discretionary Permits) specifies the findings that are required to grant a Special Permit and a Conditional Use Permit:

1. The proposed development is in conformance with the County General Plan;
2. The proposed development is consistent with the purposes of the existing zone in which the site is located;
3. The proposed development conforms with all applicable standards and requirements of these regulations; and
4. The proposed development and conditions under which it may be operated or maintained will not be detrimental to the public health, safety, or welfare; or materially injurious to property or improvements in the vicinity.

C. Required Finding for Consistency With Housing Element Densities

1. Government Code Section 65302.81 requires specific findings supported by substantial evidence where a general plan amendment or zone reclassification is adopted that reduces the residential density for any parcel below that utilized by the Department of Housing and Community Development in determining compliance with housing element law (the mid point of the density range specified in the plan designation).
2. In addition, the same Government Code sections also requires any proposed development to maintain the residential density for any parcel at or above that utilized by the Department of Housing and Community Development in determining compliance with housing element law (the mid point of the density range specified in the plan designation), unless the following written findings are made supported by substantial evidence: 1) the reduction is consistent with the adopted general plan including the housing element; and 2) the remaining sites identified in the housing element are adequate to accommodate the County share of the regional housing need; and 3) the property contains insurmountable physical or environmental limitations and clustering of residential units on the developable portions of the site has been maximized.

D. Required Finding for Consistency With the California Environmental Quality Act

The California Environmental Quality Act (CEQA) states that one of the following findings must be made prior to approval of any development which is subject to the regulations of CEQA:

1. a) The project either is categorically or statutorily exempt; or
- b) There is no substantial evidence that the project will have a significant effect on the environment or any potential impacts have been mitigated to a level of insignificance and a negative declaration has been prepared pursuant to Section 15070 of the CEQA Guidelines; or
- c) An environmental impact report (EIR) has been prepared and all significant environmental effects have been eliminated or mitigated to a level of insignificance, or the required findings in Section 15091 of the CEQA Guidelines are made.

Finding A: Section 213-50 of the Zoning Ordinance states the following findings must be made to approve changes in the Zoning Maps

Section(s)	Applicable Requirements
§312-50 of the Zoning Ordinance	Finding A1. That the proposed zoning change is consistent with the General Plan.
<p>Evidence Supporting Finding A1</p> <p>Table 4-H of the General Plan shows the CS - Commercial Services Plan Designation that applies to the subject property is compatible with both the CH and C-2 zones, so the proposed C-2 zone is consistent with the General Plan.</p>	
§312-50 of the Zoning Ordinance	Finding A2. That the proposed zoning change is in the public interest
<p>Evidence Supporting Finding A2</p> <p>The zoning change could provide additional commercial development potential in the Redway area with minimal impacts to county roads or other neighboring land uses because the property is accessed by a major collector road. As shown on the aerial map attached to the staff report, Redwood Drive provides direct access to Highway 101 in both directions within two miles. It is arguably in the public interest to modify the zoning to allow commercial cannabis activities on the subject property because it has frontage on existing paved roads that provide immediate access to a major collector - Redwood Drive,</p>	

Finding B: Required Findings for Special Permits and Conditional Use Permits

Finding B1: The proposed development must be consistent with the General Plan. The following table identifies the evidence which supports finding that the proposed project will be in conformance with all applicable policies and standards of the General Plan.

Section(s)	Applicable Requirements	Evidence Supporting Finding #B1
<p>Land Use Designation §4.8 Land Use</p>	<p>Commercial Services (CS) Intended for heavy commercial uses and compatible light industrial uses not serving day to day needs. Full range of urban services required (i.e., good access, public sewer and water, electricity, fire protection, and waste disposal). Allowable uses include retail sales, distribution and light industrial.</p>	<p>The applicant is proposing to develop a cannabis manufacturing center and distribution center in an existing building. The project also proposes use of portion of the same existing commercial building as a medical marijuana dispensary where cannabis will be provided to members of the collective who are capable of providing sufficient documentation to demonstrate they have recently been recommended the medical use of cannabis by a California licensed physician. These uses are all allowed use in the CS - Commercial Services Plan designation.</p>
<p>Circulation Chapter 7</p>	<p>Goals and policies contained in this Chapter relate to a balanced, safe, efficient, accessible and convenient circulation system that is appropriate for each type of unincorporated community (C-G1,CT-G2); coordinated planning design, development, operations, and maintenance between the County and other transportation system service providers (C-G3); and access for all transportation mode types with improved opportunities to move goods within, into and out of Humboldt County (C-GX, C-GXXX).</p>	<p>Access to the site is directly off a paved County-maintained public road (Redwood Drive). The driveway entrance and parking areas are all paved. The Department of Public Works responded to the zone reclassification petition application stating the proposed parking perpendicular to the right of way and within the (large) right of way for Redwood Drive will require an ordinance approved by the Board of Supervisors. Conditions of project approval require Public Works sign off prior to initiation of operations to ensure the Board has taken action to allow the parking as proposed. Any additional comments will be circulated for review.</p>

Section(s)	Applicable Requirements	Evidence Supporting Finding #B1
Housing Chapter 8	<p>Goals and policies contained in this Element seek to identify existing and projected housing needs and establish goals, policies, standards and measures for the preservation, improvement, and development of housing.</p> <p>Related policies: H-P3, Development of Parcels in the Residential Land Inventory</p>	<p>The project does not involve new residential development, nor is the project site part of the Housing element Residential Land Inventory. There is an existing caretaker unit on the second floor that is proposed to remain. The project will not preclude any additional future residential development. The project will not reduce the residential density for any parcel below that utilized by the Department of Housing and Community Development in determining compliance with housing element law.</p>
<p>Conservation and Open Space Chapter 10</p> <p>Biological Resources Section 10.3</p>	<p>Goals and policies contained in this Chapter relate to mapped sensitive habitat areas where policies are applied to protect fish and wildlife and facilitate the recovery of endangered species (BR-G1, Threatened and Endangered Species, BR-G2, Sensitive and Critical Habitat, BR-G3, Benefits of Biological Resources)</p>	<p>The Biological Resource maps of the General Plan do not identify any sensitive or critical habitat areas on the project site. The property is mostly paved and developed with a 3,600 square foot commercial building, so there is little potential for wetlands, rare species or other environmentally sensitive habitat areas (ESHAs). The site lacks the habitat required for cover, breeding or foraging for most species.</p>

Section(s)	Applicable Requirements	Evidence Supporting Finding #B1
<p>Conservation and Open Space Chapter 10</p> <p>Cultural Resources Section 10.6</p>	<p>Goals and policies contained in this Chapter relate to the protection and enhancement of significant cultural resources, providing heritage, historic, scientific, educational, social and economic values to benefit present and future generations (CU-G1, Protection and Enhancement of Significant Cultural Resources)</p> <p>Related policies: CU-P1. Identification and Protection, CU-P2. Native American Tribal Consultation]</p>	<p>The Northwest Information Center was referred and requested an archaeological study be completed. The Bear River Tribe did not respond. No new construction is proposed, so no ground disturbance will occur. Nonetheless, the project is conditioned to include an inadvertent discovery protocol should the project encounter undocumented cultural resources (Informational Note #1).</p>
<p>Conservation and Open Space Chapter 10</p> <p>Scenic Resources Section 10.6</p>	<p>Goals and policies contained in this Chapter relate to the protection of scenic areas that contribute to the enjoyment of Humboldt County's beauty and abundant natural resources (SR-G1); and a system of scenic highways roadways that increase the enjoyment of, and opportunities for, recreational and cultural pursuits and tourism in the County. (SR-Gx)</p> <p>Related policies: SR-SX. Light and Glare</p>	<p>The applicant is proposing to develop a cannabis manufacturing center and distribution center in an existing building. The project also proposes use of portion of the same existing commercial building as a medical marijuana dispensary. There are no open space or scenic resources on the site.</p>

Section(s)	Applicable Requirements	Evidence Supporting Finding #B1
<p>Water Resources Chapter 11</p> <p>Stormwater Drainage</p>	<p>Goals and policies contained in this Chapter relate to coordinated watershed planning and land use decision making to advance management priorities (WR-G3, WR-G4, WR-G5); watershed conservation and restoration efforts aimed at de-listing water bodies and watersheds which are restored to meet all beneficial uses, including water use, salmon and steelhead recovery plans, recreational activities, and the economy (WR-G1, WR-G, WR-G7, WR-G8, WR-G8x); and</p> <p>Related policies: WR-P8. Erosion and Sediment Discharge; WR-P36. Erosion and Sediment Control Measures.</p>	<p>The Project site is already fully developed and the proposed distribution, manufacturing and retail uses will be located within the existing 3,600 square foot commercial structure, and customers will use existing paved encroachments onto Redwood Drive and the same on-site paved parking areas. No new measures are necessary to protect water quality from the proposed use.</p>

Section(s)	Applicable Requirements	Evidence Supporting Finding #B1
<p>Water Resources Chapter 11</p> <p>Water Supply and Wastewater Systems</p>	<p>Goals and policies contained in this Chapter relate to adequate public water supply as well as onsite wastewater systems and natural and developed storm drainage systems that minimize interference with surface and groundwater flows and storm water pollution (WR-G6, WR-G9, WR GX)</p> <p>Related policies: WR-IM7, Basin Plan Septic Requirements; and IS-P20, On-Site Sewage Disposal Requirements.</p>	<p>The site has public water and wastewater systems that provide basic sanitation needs for the employees. No water is used in the proposed manufacturing, distribution or retail uses.</p>
<p>Noise Chapter 13</p>	<p>Goals and policies contained in this Chapter discourage incompatible uses within communities and reduce excessive noise through the application of standards (N-G1, N-G2)</p> <p>Related policies: N-P1, Minimize Noise from Stationary and Mobile Sources; N-P4, Protection from Excessive Noise</p>	<p>The subject parcel is not located in an area that requires special noise attenuation measures. The proposed use will occur within an existing commercial structure, so there will be minimal noise generated by the project. The site occurs adjacent to Redwood Drive, so there is an abundance of ambient noise.</p>

Section(s)	Applicable Requirements	Evidence Supporting Finding #B1
<p>Safety Element Chapter 14</p> <p>Geologic & Seismic</p>	<p>Goals and policies contained in this Chapter relate to communities that are designed and built to minimize the potential for loss of life and property resulting from natural and manmade hazards; and to prevent unnecessary exposure to areas of geologic instability, floodplains, tsunami run-up areas, high risk wildland fire areas, and airport areas planned and conditioned to prevent unnecessary exposure of people and property to risks of damage or injury (S-G1, S-G2)</p> <p>Related policies: S-PX1, Site Suitability, S-P6, Structural Hazards,</p>	<p>Geologic hazard maps of the General Plan show the slope instability of the property to be moderately unstable. Since no new exterior construction is proposed, a soils report of the slope stability may not be required.</p>
<p>Safety Element Chapter 14</p> <p>Flooding</p>	<p>Goals and policies contained in this Chapter relate to the use of natural drainage channels and watersheds that are managed to minimize peak flows in order to reduce the severity and frequency of flooding. (S-G3)</p> <p>Related policies include: S-P10, Federal Flood Insurance Program; S-P11, Flood Plains; S-PX3, Construction Within Special Flood Hazard Areas</p>	<p>According to the Flood Insurance Rate Map (FIRM) Panel No. 1840, the project site is located in Flood Zone C, which is defined as "areas of minimal flooding". The project site is outside of the 100- and 500-year flood boundary as it is considerably elevated above the Eel River.</p>

Section(s)	Applicable Requirements	Evidence Supporting Finding #B1
<p>Safety Element Chapter 14</p> <p>Fire Hazards</p>	<p>Goals and policies of this Chapter encourage development designed to reduce the risk of structural and wildland fires supported by fire protection services that minimize the potential</p> <p>Related policies: S-P15, Conformance with State Responsibility Areas (SRA) Fire Safe Regulations;</p>	<p>The parcel is in an area of Very High Fire Hazard rating. All applicable referral agencies that have provided comments have recommended approval of the project and have not identified any issues relating to hazards.</p>
<p>Air Quality Chapter 15</p>	<p>Goals and policies contained in this Chapter relate to improved air quality to meet current and future state and federal standards, including attainment of particulate matter requirements (AQ-G1, AQ-G2, AQ-G2X) and the successful reduction of greenhouse gas emissions to levels consistent with state and federal requirements (AQ-G3)</p> <p>Related policies: AQ-P4, Construction and Grading Dust Control, AQ-S1. Construction and Grading Dust Control, AQ-P7. Interagency Coordination.</p>	<p>As a condition of project approval, the project shall address odor management by incorporating a ventilation/air filtration system which limits potential adverse odor emission impacts to employees and/or properties located in the vicinity. The system shall be designed, signed, and stamped by a mechanical engineer for review and approval by the Building Official. Dust control practices during construction and grading shall achieve compliance with NCAQMD fugitive dust emission standards.</p>

Finding B2: The proposed development is consistent with the purposes of the existing zone in which the site is located; and Finding B3: The proposed development conforms with all applicable standards and requirements of these regulations. The following table identifies the evidence which supports finding that the proposed development is in conformance with all applicable policies and standards in the Humboldt Zoning Regulations. Humboldt County Inland Zoning Regulations after the Zoning is amended from CH to C-2.

Section(s)	Applicable Requirements	Evidence Supporting Finding B2 & B3
314-2.2 C-2 - Community Commercial & 314-32.1 Q - Qualified Zone	The C-2 - Community Commercial Zone is intended to apply to areas where more complete commercial facilities are necessary for community convenience.	The proposed project is a Special Permit for a cannabis distribution and manufacturing facility, and a Conditional Use Permit for a retail dispensary. The proposed use is a light industrial use, distribution and retail use that is specifically allowed with a Special Permit and conditional use permit in this zone district under Section 314-55 of the Humboldt County Code. The purpose of the proposed Q - Qualified Zone is to maintain the development standards of the C-H Zone in terms of building height, setbacks and minimum lot size.
Minimum Lot Area:	2,000 sq. ft.	The subject parcel is approximately 11,000 square feet.
Max. Lot Coverage:	50%	Less than 15%
Min. Yard Setbacks (through the SRA requirements):	The parcel is within the mapped State Responsibility Area and 30 foot setbacks to all property lines are required.	The proposed facility occurs within an existing permitted structure that was permitted less than 30 feet of the east, north and south property lines. The rear yard setback is more than 30 feet.
Max. Building Height:	45 feet	30 feet

Section(s)	Applicable Requirements	Evidence Supporting Finding B2 & B3
<p>§314-109.1.3.3: Off-Street Parking:</p>	<p>Manufacturing Uses: One space for 1,500 square feet of gross floor area and one parking space per employee. A minimum of two parking spaces are required.</p> <p>Distribution Uses: One space for 2,500 square feet of gross floor area and one parking space per four employees. A minimum of two parking spaces are required.</p> <p>Retail Uses: One space for 300 square feet of gross floor area and one parking space per employee. A minimum of two parking spaces are required.</p> <p>One 60' x 10' loading space is required per every 20,000 square feet or portion thereof. Exceptions may be allowed for commercial structures less than 10,000 square feet in size.</p>	<p>Manufacturing: The proposal is for approximately 1,250 square feet of manufacturing with up to four employees being present on the site. Five spaces will be required for this use.</p> <p>Distribution: The proposal is for approximately 1,000 square feet of distribution with up to two employees being present on the site. Two spaces will be required for this use.</p> <p>Dispensary: The proposal is for approximately 690 square feet of retail with up to four employees being present on the site. Seven spaces will be required for this use.</p> <p>Only four employee spaces are provided on-site behind the building. There are four other parking sites in front of the building for the public. Current parking is perpendicular to the Redwood Drive right of way. A permit is being pursued from the Department of Public Works Road Maintenance Division to request an ordinance be presented to the Board of Supervisors for approval of perpendicular parking in the County right of way. The applicant has requested an exception to the parking standards based on the proximity to downtown Redway as shown on the aerial photo for the site.</p> <p>Area for one loading space is provided in front of the roll-up doors for the distribution facility as shown on the plot plan. The applicant is proposing a 10'x20' loading space because the vehicles used for commercial delivery will all be less than 20 feet long.</p>

314-55.4 Commercial Cultivation, Processing, Manufacturing and Distribution of Cannabis for Medical Use Inland Land Use Regulation (CMMLUO)

<p>§314-55.4.8.5 Manufacturing Facilities</p> <p>§314-55.4.8.6 Wholesale Distribution Facilities</p>	<p>Distribution and manufacturing of commercial cannabis for medical use shall be a conditionally permitted use in zone districts AG, AE, RA, (on parcels 5 acres or larger), C-2, C-3, MB, ML, U (where developed as an industrial use) and MH, subject to a Special Permit and the conditions and limitations set forth in this Section.</p>	<p>The proposed distribution operation consists of deliveries to the existing 3,600 square foot commercial building in bulk packages, offsite testing of samples, packaging for retail sale, which will include rolling joints, and transportation to qualified vendors. The proposed manufacturing use takes raw plant materials and uses a heated bench-press to squeeze the oils out. It also involves packaging of cannabis material and cannabis extracts for sale. The only "chemicals" are standard household cleaning supplies and even the use of those is very limited. The subject property is in the process of being rezoned to C-2 to allow the proposed uses. The Special Permits will not become effective until the zone reclassification is approved. Conditions of approval require the applicant will comply with all conditions of the CMMLUO ordinance.</p>
<p>§314-55.4.8.10 Permit Limit</p>	<p>No more than four commercial cannabis activity permits may be issued to a single person.</p>	<p>According to records maintained by the Department, separate applicants have applied for the dispensary permit, distribution permit and manufacturing permit. No other permits have been approved for any of these applicants. Each individual is eligible to hold up to four cannabis activity permits.</p>
<p>§314-55.4.10 Application Requirements</p>	<p>Identifies the Information Required for All Applications</p>	<p>The project file contains all the information required by the ordinance.</p>
<p>§314-55.4.11 Performance Standards</p>	<p>Identifies the Performance Standards for Cannabis Cultivation Activities</p>	<p>All the applicable performance standards are included as conditions of project approval. They are required to be met throughout the timeframe of the permit.</p>
<p>§314-55.4.17 Sunset Date</p>	<p>No application for any Use Permit pursuant to the CMMLUO shall be processed for issuance or approval that is received after December 31, 2016.</p>	<p>The applicant submitted the Special Permit Applications in June, 2016.</p>

314-55.3 Medical Cannabis Dispensary Ordinance

<p>§314-55.3.8 Dispensaries</p>	<p>All medical cannabis Dispensaries shall operate in compliance with this Code, the MCRSA, and all other applicable state and local laws.</p> <p>Medical cannabis Dispensaries are a conditionally permitted use in zone districts C-1, C-2, C-3, MB, ML, MH.</p> <p>Dispensaries shall at all times be operated in such a way as to ensure the safety of patients and staff; to ensure the security of the medical cannabis; and to safeguard against the diversion of medical cannabis for non-medical purposes.</p>	<p>The subject property will be zoned C-2 Community Commercial. The Plan of Operation and conditions of approval require the proposed use is operated consistent with this Code, the MCRSA, and all other applicable state and local laws, and to ensure the security of the medical cannabis; and to safeguard against the diversion of medical cannabis for non-medical purposes.</p>
<p>§314-55.3.9.1 Medical Cannabis Dispensary Requirements</p>	<p>Preparation of a hazardous materials storage, handling, and disposal plan approved by the Division of Environmental Health, if applicable.</p> <p>No medical cannabis Dispensaries, operators, establishments, or providers who possess, cultivate, or distribute medical cannabis shall be located within a 600-foot radius of a school.</p>	<p>The Plan of Operations does not identify the use of any hazardous materials that would require a hazardous materials plan.</p> <p>The nearest school is in Redway, which is more than 600 feet from the site.</p>

314-55.3 Medical Cannabis Dispensary Ordinance

§314-55.3.10
Operations Manual

Dispensaries shall submit an Operations Manual that includes all the following:

Authorization for the County, its agents, and employees, to seek verification of the information contained within the conditional use permit application.

A description of the staff screening processes, including a requirement for criminal background checks.

The hours and days of the week when the Dispensary will be open.

Text and graphic materials showing the site, floor plan and facilities. The material shall also show structures and land uses within a 600 foot radius.

A description of the security measures located on the premises, including but not limited to, lighting, alarms, and automatic law enforcement notification, and how these will assure the safety of staff and clients and secure the medical cannabis against diversion for non-medical purposes.

A detailed Plan of Operations is included in Attachment 3 that contains all of the required elements. Additionally, the operations will remain subject to annual monitoring and reporting requirements. Furthermore, the collective will be regulated by numerous state & local regulations including: Article 2.5 of the Health and Safety Code (Senate Bill 420). The retail dispensary is also regulated by the Medical Cannabis Regulation and Safety Act (MCRSA) and will be subject to state licensing in 2018 once available. While the Plan of Operation for the dispensary states the hours of operation will be 7am - 7pm Monday through Sunday, this is not allowed. Instead, conditions of approval limit the hours of operation for the dispensary to **10am** - 7pm Monday through Sunday consistent with Section 55.3.11.4 of the Dispensary Ordinance.

314-55.3 Medical Cannabis Dispensary Ordinance

<p>§314-55.3.10 Operations Manual</p>	<p>Dispensaries shall submit an Operations Manual that includes all the following:</p> <p>A description of the screening, registration and validation process and procedures for qualified patients and primary caregivers.</p> <p>A description of qualified patient records acquisition and retention procedures and policies.</p> <p>A description of the processes, procedures and inventory controls for tracking the disparate strains, the source of supply, and amounts of medical cannabis that come in and go out of the Dispensary.</p> <p>Description of measures taken to minimize or offset the carbon footprint from operational activities.</p> <p>Description of chemicals stored, used and any effluent discharged as a result of operational activities.</p> <p>The procedure, documentation, and notice process for assuring the quality and safety of all medical cannabis distributed. The procedure and documentation process for determining patient dosage, including any testing for the major active agents in medical cannabis.</p>	<p>A detailed Plan of Operations is included in Attachment 3 that contains all of the required elements. Additionally, the operations will remain subject to annual monitoring and reporting requirements. Furthermore, the collective will be regulated by numerous state & local regulations including: Article 2.5 of the Health and Safety Code (Senate Bill 420). The retail dispensary is also regulated by the Medical Cannabis Regulation and Safety Act (MCRSA) and will be subject to state licensing in 2018 once available.</p>
<p>§314-55.3.11 Operating Standards</p>	<p>Dispensaries that function as medical cannabis delivery services shall not operate from an address of convenience located in a residential zone.</p>	<p>The proposed site will be zoned C-2 Community Commercial.</p>

314-55.3 Medical Cannabis Dispensary Ordinance

§314-55.3.11
Operating
Standards

Medical cannabis Dispensaries may not be operated by any persons who have been convicted of a felony in the last five (5) years.

No dispensing of medical cannabis to an individual qualified patient shall be permitted more than twice a day.

The hours of operation of medical cannabis Dispensaries shall be no earlier than 10 a.m. and no later than 7 p.m.

Dispensaries shall only provide medical cannabis to an individual qualified patient who has a valid, verified physician's recommendation issued in the State of California. Dispensaries shall verify on an annual basis, or more frequently if required by the State of California, that the physician's recommendations of their clients are current and valid.

Dispensaries shall display their client rules and/or regulations in a conspicuous place that is readily seen by all persons entering the Dispensary. A copy of the client rules and/or regulations shall be provided to the qualified patient by a medical cannabis delivery service.

Smoking, ingesting or otherwise consuming medical cannabis products on the premises of a medical cannabis Dispensary is prohibited. Each building entrance to a medical cannabis Dispensary shall be clearly and legibly posted with a notice indicating that smoking, ingesting or consuming medical cannabis or medical cannabis edibles on the premises or in the vicinity of the Dispensary is prohibited.

All operating standards have been made conditions of approval. Operations will be restricted to the hours prescribed by the dispensary ordinance.

314-55.3 Medical Cannabis Dispensary Ordinance

§314-55.3.11
Operating
Standards

Each building entrance to a medical cannabis Dispensary shall be clearly and legibly posted with a notice indicating that persons under the age of eighteen (18) are precluded from entering the premises unless they are qualified patients and they are accompanied by their parent or legal guardian.

No medical cannabis Dispensary or delivery service shall provide medical cannabis to any qualified patient or holder of a medical cannabis recommendation who is under 18 unless their parent or guardian has previously given written permission that is on file with the delivery service and that same parent or guardian is present to accept the delivery of medical cannabis.

All medical cannabis Dispensaries shall display a copy of the inspection receipt issued by the Humboldt County Sealer of Weights and Measures for all weighing and measuring devices.

All medical cannabis dispensed by Dispensaries must be obtained in accordance with the MCRSA and other applicable state and local laws.

All signs for medical cannabis Dispensaries must comply with sections 313- 87.3 and 314-87.2 of the County Zoning Regulations.

An up-to-date inventory of all hazardous materials stored and used onsite shall be maintained on the premises of the Dispensary with a copy of this inventory provided to the Humboldt County Division of Environmental Health.

All operating standards have been made conditions of approval.

314-55.3 Medical Cannabis Dispensary Ordinance		
§314-55.3.11 Operating Standards	<p>Dispensaries shall maintain all necessary permits, and pay all required taxes and fees.</p> <p>Dispensaries shall also provide invoices to vendors to ensure vendor's tax liability responsibility.</p> <p>Dispensaries shall implement their policies and procedures as outlined in their Operations Manual.</p> <p>Medical cannabis Dispensaries shall comply with any and all conditions of their conditional use permit.</p>	All operating standards have been made conditions of approval.

Finding B4. Public Health, Safety and Welfare: The following table identifies the evidence which supports finding that the proposed use will not be detrimental to the public health, safety and welfare or materially injurious to properties or improvements in the vicinity.

Section(s)	Applicable Requirements	Evidence Supporting Finding B4
§312-17.1.4 Special and Conditional Use Permit Findings	Proposed development will not be detrimental to the public health, safety and welfare or materially injurious to properties or improvements in the vicinity.	All responding referral agencies have either provided no comment or recommended approval of the proposed use. The proposed light industrial, distribution and retail use is consistent with the type of development in the area. There is no evidence that the project will be materially injurious to properties or improvements in the vicinity.

Finding C: Required for Consistency with Housing Element Densities

Section(s)	Applicable Requirements
Government Code Section 65302.81	Specific findings supported by substantial evidence are required where a general plan amendment or zone reclassification is adopted that reduces the residential density for any parcel below that utilized by the Department of Housing and Community Development (HCD) in determining compliance with housing element law (the mid point of the density range specified in the plan designation).
Evidence Supporting Finding C: The project site is zoned C-1 Neighborhood Commercial, and is not included in the residential land inventory of the Housing Element. Therefore, the project will be consistent with this requirement.	

Finding D: Required Finding for Consistency with the California Environmental Quality Act

Section(s)	Applicable Requirements	Evidence Supporting Finding #16
<p>Consistency with the California Environmental Quality Act</p>	<p>The project is required to be consistent with the California Environmental Quality Act</p>	<p>The project has been determined to be exempt from CEQA as described in the paragraphs below.</p> <p>CEQA Exemption Section 15305-Minor Alterations in Land Use Limitations applies because the Q - Qualified Zone limits the uses to those allowed by the existing CS Plan designation. The proposed light industrial, distribution and retail facility will occur within an existing 3,600 square foot building on a site within an existing developed commercial area. The scale of the proposed light industrial, distribution and retail facility is small, and occurs within the same existing building. The Q - Qualified Zone also limits the size and scale of future uses by maintaining the same development standards as the existing CH zone.</p> <p>CEQA Exemption Section 15301 Existing Facilities applies because the proposed light industrial, distribution and retail use is within an existing structure. Section 15301 exempts from environmental review the operation, repair maintenance, permitting, licensing, or minor alteration of existing private structures or facilities where involving negligible or no expansion of use. The proposed development will occupy one existing structure of approximately 3,600 sq. ft. The project site is developed with existing commercial and residential structures.</p>

ATTACHMENT 3

Applicant's Evidence in Support of the Required Findings

- Application Form [on file]
- Organizational Documents [on file]
- Grant Deed [on file]
- Indemnification Agreement [on file]
- Acknowledgement Form [on file]
- Plot Plan [attached]
- Plan of Operation [attached]
- Security Plan [attached]



REDLINE, LLC

MANUFACTURING OPERATIONS PLAN

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OPERATIONS PLAN: MANUFACTURING

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1 Overview

1.1 Values & Vision

These principles form a core part of the framework that defines not only our Humboldt County Operations Plan, but also our overarching business philosophy.

VALUES

We hold that the surest path to creating a business with staying power in Humboldt County is by continually working to strengthen the community. Our mission is to succeed first and foremost by staying true to our Humboldt roots. Not just by benefitting from the culture here, but by participating in it, and by building our business according to a time-honored truth: In this community, real strength is found in helping strengthen those around you.

VISION

These values guide our vision: To build a lasting business that creates opportunities and empowers the community around us. Our loyalty to a philosophy of inclusiveness will play a key role in those efforts, as will our commitment to defending the County's values, honoring its history, and preserving its culture. We want to include everyone, and we're committed to helping the County grow the future together.

1.2 Facility Compliance With California Regulations

Every Facility employee will understand and appreciate the structure of California's regulatory scheme for the management of medical marijuana. Ready access will be provided to copies of the regulatory materials. This document addresses various elements required for operations under regulations set forth by the Bureau of Marijuana Control, California Code of Regulations Title 16, Division 42.

2 County & Law Enforcement Access

2.1 County's Access to the Facility

All facility personnel will cooperate fully with all conditions in the Use Permit and Use Permit Application requiring that the County, its agents, and employees, be granted access to the facility to seek verification of the information contained within the conditional use permit, permit applications, the Operations Manual, and the Operating Standards at any time before or after the conditional use permit is issued.

2.2 Law Enforcement Access to the Facility

The Humboldt County Sheriff's Department will be authorized to have 24-hour access to the facility's security surveillance video. *Pursuant to CMMLUO 55.4.11 i.*

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3 Staff Screening & Staffing Requirements

3.1 Staff Screening Processes

All candidates for staff positions will undergo criminal background checks as part of the standard screening process. To the extent permissible by California and Federal employment law, candidates with criminal histories or a history of drug abuse will be screened from employment.

3.2 Staffing Requirements

The facility will require 2 to 4 FTE employees depending on workload.

4 Visitors Policy & Hours of Operation

4.1 Visitors Policy

The facility is not open to the public and will not accept visitors without a specific preauthorized business purpose.

4.2 Hours of Operation

Hours of operation will be from 7AM to 7PM Monday-Sunday.

5 Location

5.1 Map

Please see attached architectural packet.

5.2 Floor Plan

Please see attached architectural packet.

5.3 Structures & Land Uses Within a 600-foot Radius

Please see attached architectural packet. *Pursuant to CMMLUO 55.4.11 d.*

6 Security Measures on the Premises

6.1 Lighting

Indoor and outdoor lighting will be controlled by photocell switching, timers, infrared motion sensors and/ or other state-of-the-art control systems to maintain an adequate light level at the interior and exterior of the facilities to ensure that personnel and the video surveillance system can effectively monitor the space in and around the facility at all times. Exterior lighting will be directed so as to not pose a nuisance to neighboring properties.

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6.2 Alarm Systems

A security/burglar alarm system will be installed and operated at all appropriate times within the facility. This system will be monitored by a third-party remote central control station which will have the responsibility for automatically providing notification to law enforcement of any breach in the facility's security system.

Communications between the facilities alarm system and the central control station will be uninterrupted by power outage and/ or disability of the telephone system.

Communications will be powered by an uninterruptible power supply, and transmission will either be by cellular or radio.

6.3 Access Controls

All entrances to the occupied building space of the facility will be restricted by an access control system capable of identifying authorized personnel. The system will also be capable of limiting personnel access to the appropriate locations within the facility depending on the person's job and responsibilities, and also limit facility access to certain times and days as appropriate. 24 hour access to the facility by emergency responders (Fire Dept.) will be provided via a Knox Box.

6.4 The Safety of Staff

Working in concert, the access control system, lighting, and alarm system will provide a secure and protected facility for the staff to occupy.

6.5 Loss & Diversion Prevention

The security measures will secure the medical marijuana against diversion for non-medical purposes by protecting against theft not only from intruders, but also from staff members and visitors. This is done by limiting access both into and within different areas of the facility as necessary and by surveillance monitoring of personnel and visitors at all times when in close proximity to the product. Strict inventory control measures will also be engaged to prevent and detect diversion.

6.6 Transport

All medical marijuana deliveries will be received at the facility from a State licensed and/or locally permitted licensed transport company; and all Medical Marijuana-Infused Products will be transported to State licensed and/or locally permitted licensed Wholesale/Distribution companies by a State licensed and/or locally permitted licensed transport company.

7 Customer Screening, Registration & Validation

7.1 Policies, Processes & Procedures

The facility is for the purpose of manufacturing and all products will be sold to State-licensed facilities on a wholesale basis. As this is the case, the facility will not be open to the public and will not accept visitors without a specific preauthorized business purpose. Only authorized representatives of state-licensed wholesale customer facilities and appropriately licensed vendors will be allowed to enter the facility and be in close proximity to products and raw materials, but in all cases will be supervised at all times. Any other vendors or maintenance workers allowed in the facility will be at all times escorted and sequestered from the finished products and raw materials.

8 Inventory Control

8.1 Processes & Procedures

The facility's inventory control process includes tracking of all incoming raw and processed materials, including the name and state license number of the cultivator, the testing lab data (as applicable), the strain, the supplier's product tracking identification data, and bill of lading from the transport company.

8.2 Incoming Materials

All incoming raw materials will be assigned a batch number that can be cross referenced to the above referenced data and stays with the product through the manufacturing process and to final sale to distributors and/or retailers.

8.3 Outgoing Product

All outgoing product will be tracked by SKU, batch number, invoice, and shipping documents; unless the product is not for sale and will be destroyed. The process for documenting product to be destroyed is described separately in this manual.

8.4 State Licensing Authority Compliance

The methodologies for tracking and Inventory Control of Medical Marijuana and Medical Marijuana-Infused Product may be subject to requirements imposed by the State Licensing Authority and will be adjusted accordingly as required.

9 Conservation & Impact Principles

9.1 Measures Taken to Minimize Carbon Footprint

Our belief is that everyone has a serious responsibility to reduce their individual carbon footprint. We will do our part by doing the following:

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9.1.1 Switch It Off

Turn off the lights when natural light is sufficient and when we leave the room. It's that simple!

9.1.2 Climate Control

Climate Control: Keep our temperature system on a moderate setting while we're in the room.

9.1.3 Wasteful Windows

Wasteful Windows: Use our windows wisely! If our climate control system is on, shut them. If we need a little fresh air, turn off the heat or AC.

9.1.4 Minimize Plug Load

Cut down the number of appliances we are running and we will save big on energy. For example, minimize the number of printers in our office.

9.1.5 Phantom Power

Use power strips to easily unplug electronics when not in use.

9.1.6 Give It a Rest

Power our computers down when we're away. A computer turned off uses at least 65% less energy than a computer left on or idle on a screen saver.

9.1.7 Switch to CFLs

Compact fluorescent light bulbs (CFLs) use 75% less energy than incandescent and last up to 10 times longer.

10 Description of Chemicals Stored or Discharged

10.1 Non-exempt Hazardous Materials Policy

The facility does not currently intend to handle or store any hazardous materials in amounts requiring a Hazardous Material Business Plan ("HMBP"). *Pursuant to CMMLUO 55.4.11 j.*

However, if the facility handles any non-exempt hazardous materials, it will register its hazardous materials with the local agency using the Hazardous Materials/Waste Registration Form, in order that any relevant agency could evaluate the storage or use and give notice of any permits or fees that apply.

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10.2 Hazardous Material Business Plan Submission Policy

If the facility begins to handle any individual hazardous material or mixture containing a hazardous material which has a quantity (at any time during the reporting year) equal to or greater than those listed below, it will complete a Hazardous Material Business Plan (HMBP) and submit a copy to the local agency (currently understood to be the Humboldt County DHHS Division of Environmental Health):

1. 500 pounds for solid hazardous materials. [H&SC §25503.S(a)]
2. The following amounts for liquid hazardous materials:
 - a. Lubricating oil as defined by H&SC §25503.S(b)(2)(B): 55 gallons of any type or 275 gallons aggregate quantity on site. H&SC §25503.S(b)(2) (A)]
 - b. All others, including waste oil: 55 gallons. [H&SC §25503.5(a)]
3. The following amounts of hazardous material gases:
 - a. Oxygen, Nitrogen, or Nitrous Oxide stored/handled at a physician, dentist, podiatrist, veterinarian, or pharmacist's place of business: 1,000 cubic feet of each material on site. [H&SC §25503.5(b)(1)]
 - b. All others: 200 cubic feet. [H&SC §25503.5(a)]
4. Amounts of radioactive materials requiring an emergency plan under Parts 30, 40, or 70 of Title 10 Code of Federal Regulations or equal to or greater than applicable amounts specified in items 1, 2, or 3, above, whichever amount is smaller. [H&SC §25503.5(a)]
5. Applicable federal threshold planning quantities for extremely hazardous substances listed in 40 CFR Part 355, Appendix A.

10.3 Hazardous Material Disposal Disclosure Policy

Disposal of any chemical, dangerous, or hazardous waste will be conducted in a manner consistent with federal, state and local laws, regulations, rules or other requirements. This may include, but is not limited to, the disposal of all solvents or other chemicals used in the production of Medical Marijuana Concentrate or any Medical Marijuana soaked in a Flammable Solvent for purposes of producing a Medical Marijuana Concentrate. Any waste solvents or other chemicals will be properly handled and disposed of by *Safety-Kleen* or another highly qualified and properly licensed contractor.

11 Quality Control & Consumer Safety Processes, Procedures & Documentation

11.1 Quality Control

In addition to meeting all State and local requirements for product quality control, the standard procedures for operation will include the following:

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11.1.1 Raw Materials Testing

Samples of all raw materials will be screened and tested by an independent State licensed and/or locally permitted licensed laboratory for pesticides, mold, and other undesirable qualities prior to incorporation into the manufacturing process.

11.1.2 Finished Products Testing

Samples from each batch of finished products will be screened and tested by a State licensed and/or locally permitted licensed independent laboratory for pesticides, mold, and other undesirable qualities prior to release for sale to wholesalers and retailers.

11.1.3 Test Results Documentation

Documentation of all lab test results will be kept on file.

11.2 Packaging

All packaging will meet State requirements for packaging. In advance of State requirements being issued, the facility will implement the following guidelines, which will be updated as additional materials or guidance are published by California or its agencies.

1. Labeling will include a warning if nuts or other known allergens are used.
2. Labeling will include the total weight in grams of cannabis or milligrams of THC in the package.
3. A warning that the item is a medication and not a food will be distinctly and clearly legible on the front of the package.
4. The package label will have a warning that's clearly legible and emphasizes that the product is to be kept away from children, and child-proof containers will be used where applicable.
5. The label will also clearly state that the product contains medical cannabis, and will specify the date of manufacture and batch number.
6. Packaging that makes the product attractive to children will not be used.
7. Any edible cannabis product that is made to resemble a typical food product (e.g., brownie, cake) will be in a properly labeled opaque (non-see-through) package.

12 Health & Safety

12.1 Training

12.1.1 Food Safety Certification

Prior to engaging in the manufacture of any Edible Medical Marijuana Infused Product, the Licensee will have an owner or employee who has successfully passed an approved and accredited food safety certification examination as specified in Sections 113947.2 and 113947.3 of the California Retail Food Code. Food safety certification will be achieved by successfully passing an examination from an accredited food protection manager certification organization. The certification organization will be accredited by the American

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National Standards Institute as meeting the requirements of the Conference for Food Protection's "Standards for Accreditation of Food Protection Manager Certification Programs."

12.1.2 Employee Knowledge

1. All food (Edible Medical Marijuana-Infused Product) employees will have adequate knowledge of, and will be properly trained in, food safety as it relates to their assigned duties.
2. There will be at least one food safety-certified owner or employee at the facility responsible for setting policy and providing training to employees. The certified owner or employee need not be present at the food facility during all hours of operation.
3. The certified owner or employee will be responsible for ensuring that all employees who handle, or have responsibility for handling, non-prepackaged foods of any kind, have sufficient knowledge to ensure the safe preparation of the food. The nature and extent of the knowledge that each employee is required to have may be tailored, as appropriate, to the employee's duties related to food safety issues.
4. Processing operations must visibly post and maintain an emergency contact list which includes at a minimum (*Pursuant to CMMLUO 55.4.11 t*):
 - a. Operation manager contacts
 - b. Emergency responder contacts
 - c. Poison control contacts
5. Processing operations will implement safety protocols and provide all employees with adequate safety training relevant to their specific job functions, which may include (*pursuant to CMMLUO 55.4.11 t*):
 - a. Emergency action response planning as necessary
 - b. Employee accident reporting and investigation policies
 - c. Fire prevention
 - d. Hazard communication policies, including maintenance of material safety data sheets (MSDS)
 - e. Materials handling policies
 - f. Job hazard analyses
 - g. Personal protective equipment policies, including respiratory protection

12.2 Physical Plant Inspection

The Facility will welcome inspection of the Medical Marijuana Center by the local fire department, building inspector, or code enforcement officer to confirm that no health or safety concerns are present. It is understood that the inspections may result in additional specific standards to meet local jurisdiction restrictions related to Medical Marijuana. An annual fire safety inspection may result in the required installation of fire suppression devices, or other means necessary for adequate fire safety.

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12.3 Generator Noise Levels

The noise produced by a generator used for cannabis cultivation shall not be audible by humans from neighboring residences. The decibel level for generators at the property line shall be no more than 60 decibels. Where applicable, sound levels must also show that they will not result in the harassment of Marbled Murrelet or Spotted Owl species, when generator use is to occur in the vicinity of potential habitat. Conformance will be evaluated using current auditory disturbance guidance prepared by the United State Fish and Wildlife Service, and further consultation where necessary. *Pursuant to CMMLUO 55.4.11 o.*

12.4 Sanitary Conditions

The Facility will take all reasonable measures and precautions to ensure the following:

1. That any person who, by medical examination or supervisory observation, is shown to have, or appears to have, an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination for whom there is a reasonable possibility of contact with preparation surfaces for medical marijuana products shall be excluded from any operations which may be expected to result in such contamination until the condition is corrected.
2. Hand-washing facilities with running water at an appropriate temperature will be located in the Facility and where good sanitary practices require employees to wash and sanitize their hands. Effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices will be provided.
3. That all persons working in direct contact with medical marijuana and medical marijuana-infused products shall conform to hygienic practices while on duty, including but not limited to:
 - a. Maintaining adequate personal cleanliness
 - b. Washing hands thoroughly in an adequate hand-washing area(s) before starting work and at any other time when the hands may have become soiled or contaminated, and
 - c. Refraining from having direct contact with medical marijuana and medical marijuana-infused product if the person has or may have an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination, until such condition is corrected.
4. That litter and waste are properly removed and the operating systems for waste disposal are maintained in an adequate manner so that they do not constitute a source of contamination in areas where medical marijuana and medical marijuana-infused product are exposed.
5. That floors, walls, and ceilings are constructed in such a manner that they may be adequately cleaned and each is kept clean and in good repair.

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6. That there is adequate lighting in all areas where medical marijuana and medical marijuana-infused product are stored or sold, and where equipment or utensils are cleaned.
7. That there is adequate screening or other protection against the entry of pests. Rubbish will be disposed of so as to minimize the development of odor and minimize the potential for the waste becoming an attractant, harborage, or breeding place for pests.
8. That fixtures and other facilities are maintained in a sanitary condition.
9. That toxic cleaning compounds, sanitizing agents, and other chemicals will be identified, held, stored and disposed of in a manner that protects against contamination of medical marijuana or medical marijuana-infused product and in a manner that is in accordance with any applicable local, state or federal law, rule, regulation or ordinance.
10. That all operations in the receiving, inspecting, transporting, segregating, preparing, manufacturing, packaging, and storing of medical marijuana or medical marijuana-infused product will be conducted in accordance with adequate sanitation principles.
11. That employees are provided with adequate and readily accessible toilet facilities that are maintained in a sanitary condition and good repair. *Pursuant to CMMLUO 55.4.11 t.*
12. That medical marijuana or medical marijuana-infused product that can support the rapid growth of undesirable microorganisms are held in a manner that prevents the growth of these microorganisms.

13 Disposal of Waste & Destroyed Product

13.1 Methods to Make Waste Unusable & Unrecognizable

Medical marijuana or medical marijuana-infused product waste will be rendered unusable and unrecognizable through one of the following methods unless another method is prescribed by the County of Humboldt or the State of California:

1. Grinding and incorporating the marijuana waste with non-consumable, solid wastes listed below such that the resulting mixture is at least 50 percent non-marijuana waste:
 - a. Paper waste
 - b. Plastic waste
 - c. Cardboard waste
 - d. Food waste

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- e. Grease or other compostable oil waste
 - f. Bokashi, or other compost activators
 - g. Other wastes approved by the State Licensing Authority that will render the medical marijuana or medical marijuana-infused product waste unusable and unrecognizable as marijuana
 - h. Soil
2. The methodology for destroying and disposing of medical marijuana or medical marijuana-infused product may be subject to requirements imposed by the State Licensing Authority and will be adjusted accordingly as required.
 3. Records of destroyed product:
 - a. Records of destroyed raw materials and product will be kept and cross-referenced by batch number and SKU. The weight or volume, as appropriate, will be recorded along with the method of disposal.
 - b. The methodology for recording destroyed Medical Marijuana and Medical Marijuana-Infused Product may be subject to requirements imposed by the State Licensing Authority and will be adjusted accordingly as required.

14 Medical Marijuana Concentrate Production

14.1 Solvents

The facility may produce water-based medical marijuana concentrate and food-based medical marijuana concentrate, and may also produce solvent-based medical marijuana concentrate using only the following solvents: butane, propane, CO₂, ethanol, isopropanol, acetone, and/or heptane.

14.2 Procedures & Policies

The facility will, regardless of the method of extraction or category of concentrate being produced, do the following:

1. Ensure that the space in which any medical marijuana concentrate is to be produced is a fully enclosed room and is clearly designated on the current diagram of the Facility.
2. Ensure that all applicable sanitary rules are followed.
3. Ensure that the standard operating procedure for each method used to produce a medical marijuana concentrate on its Licensed/Permitted Premise includes, but need not be limited to, step-by-step instructions on how to safely and appropriately:
 - a. Extract cannabinoids and other essential components of medical marijuana

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- b. Purge any solvent or other unwanted components from a medical marijuana concentrate
 - c. Clean all equipment, counters and surfaces thoroughly
 - d. Dispose of any waste produced during the processing of medical marijuana in accordance with all applicable local, state and federal laws, rules and regulations. See Section 12 – “Disposal of Waste & Destroyed Product.”
4. Establish written and documentable quality control procedures designed to maximize safety for employees and minimize potential product contamination.
 5. Establish written emergency procedures to be followed by employees in case of a fire, chemical spill or other emergency.
 6. Have a comprehensive training manual that provides step-by-step instructions for each method used to produce a medical marijuana concentrate in its Facility. The training manual will include, but need not be limited to, the following topics:
 - a. The Medical Marijuana-Infused Products Manufacturer’s quality control procedures
 - b. The emergency procedures for the licensed/permitted premises
 - c. The appropriate use of any necessary safety or sanitary equipment
 - d. The hazards presented by all solvents used within the Facility as described in the material safety data sheet for each solvent
 - e. Clear instructions on the safe use of all equipment involved in each process and in accordance with the manufacturer’s instructions, where applicable, and
 - f. Any additional periodic cleaning required to comply with all applicable sanitary rules
 7. Provide adequate training to every employee prior to that individual undertaking any step in the process of producing a medical marijuana concentrate.
 - a. Adequate training will include, but need not be limited to, providing a copy of the training manual and live, in-person instruction detailing at least all of the topics required to be included in the training manual.
 - b. The individual providing training will sign and date a document attesting that all require aspects of training were conducted and that he or she is confident that the trainee can safely produce a medical marijuana concentrate.
 8. Maintain clear and comprehensive records of the name and signature of every individual who engaged in any step related to the creation of a production batch of medical marijuana concentrate and the step that individual performed.

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9. Business Records required.

15 Production of Solvent-based Medical Marijuana Concentrate

15.1 Building Permit Application Determinations

Subsequent to obtaining Land-Use Entitlement (i.e., a Use Permit) and prior to operation, the Facility will have obtained a Certificate of Occupancy, permit final inspection, or other appropriate evidence acceptable to the County of Humboldt that the Facility meets or exceeds California Title 24 Codes as applicable to the project. The following considerations will be incorporated into the building permit application submittal:

15.1.1 Flammable Solvent Determinations

If a Flammable Solvent is to be used in the processing of medical marijuana into a medical marijuana concentrate, then a Licensed Architect, Certified Industrial Hygienist, or Professional Engineer, as appropriate, will:

1. Establish a maximum amount of Flammable Solvents and other flammable materials that should be stored within that facility in accordance with applicable laws, rules and regulations.
2. Determine what type of electrical equipment, which may include but need not be limited to outlets, lights, and junction boxes, will be installed within the room in which Medical Marijuana Concentrates are to be produced or Flammable Solvents are to be stored in accordance with applicable laws, rules and regulations.
3. Determine whether a gas monitoring system will be installed within the room in which Medical Marijuana Concentrates are to be produced or Flammable Solvents are to be stored, and if required the system's specifications, in accordance with applicable laws, rules and regulations.
4. Determine whether a fire suppression system must be installed within the room in which Medical Marijuana Concentrates are to be produced or Flammable Solvents are to be stored, and if required the systems specifications, in accordance with applicable laws, rules and regulations.

15.1.2 CO2 Solvent Determination

If CO2 is used as solvent at the Facility, then a Licensed Architect, Certified Industrial Hygienist, or Professional Engineer will determine whether a CO2 gas-monitoring system must be installed within the room in which Medical Marijuana Concentrates are to be produced or CO2 is stored, and if required by the system's specifications, in accordance with applicable laws, rules, and regulations.

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15.1.3 Exhaust System Determination

A Licensed Architect, Certified Industrial Hygienist, or Professional Engineer will determine whether a fume vent hood or exhaust system will be installed within the room in which Medical Marijuana Concentrates are to be produced, and if required by the system's specifications, in accordance with applicable laws, rules, and regulations.

15.1.4 Material Change

If a Material Change is made to the equipment or a concentrate production procedure, then, in addition to meeting all other requirements, a report will be obtained from a Licensed Architect, Certified Industrial Hygienist, or Professional Engineer re-certifying its standard operating procedures and, if changed, its Facility and equipment as well.

15.1.5 Manufacturer's Instructions

A Licensed Architect, Certified Industrial Hygienist, or Professional Engineer will review and consider any information provided to the Medical Marijuana-infused Products Manufacturer by the designer or manufacturer of any equipment used in the processing of Medical Marijuana into a Medical Marijuana Concentrate.

15.1.6 Records Retention

The Facility will maintain copies of all reports received from a Licensed Architect, Certified Industrial Hygienist, or Professional Engineer. Such reports will be maintained on the premises until the Facility ceases production of Medical Marijuana Concentrate.

15.2 Equipment, Counters & Surfaces

The Facility will ensure that all equipment, counters and surfaces used in the production of a Solvent-based Medical Marijuana Concentrate will be food-grade and will not react adversely with any of the solvents to be used in the Facility. Additionally, all counters and surface areas will be constructed in a manner that reduces the potential development of microbials, molds and fungi, and can be easily cleaned.

15.3 Emergency Eye Care

The Facility will ensure that the room in which Solvent-based Medical Marijuana Concentrates are to be produced will contain an emergency eyewash system.

15.4 Extraction System Policies & Procedures

The facility will ensure that a professional-grade, closed-loop extraction system capable of recovering the solvent is used to produce Solvent-based Medical Marijuana Concentrate (unless using water, ethanol, or isopropanol methods):

15.4.1 Compliance with Nationally Recognized Testing Laboratories

If the system is UL or ETL-listed, then the Facility will operate the system in accordance with the manufacturer's instructions.

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15.4.2 Written Approval for Non-listed Solvents

If the system is UL or ETL-listed but the Facility intends to use a solvent in the system that is not listed in the manufacturer's instructions for use in the system, then, prior to using the unlisted solvent, the Medical Marijuana-Infused Products Manufacturer will obtain written approval for use of the non-listed solvent in the system from either the system's manufacturer or a Professional Engineer after the Professional Engineer has conducted a peer review of the system. In reviewing the system, the Professional Engineer shall review and consider any information provided by the system's designer or manufacturer.

15.4.3 Designer of Record

If the system is not UL or ETL-listed, then there will be a designer of record. If the designer is not a Professional Engineer, then the system will be peer reviewed by a Professional Engineer. In reviewing the system, the Professional Engineer may review and consider any information provided by the system's designer or manufacturer.

15.5 Ethanol or Isopropanol

The Facility need not use a professional-grade, closed-loop system extraction system capable of recovering the solvent for the production of a Solvent-based Medical Marijuana Concentrate if ethanol or isopropanol are the only solvents being used in the production process.

15.6 Food-grade Solvents

The facility will ensure that all solvents used in the extraction process are food-grade or at least 99% pure:

1. A material safety data sheet for each solvent used or stored on the Facility will be obtained and made readily available. Receipts of purchase for all solvents used or to be used in an extraction process will be maintained.
2. Denatured alcohol will not be used to produce a Medical Marijuana Concentrate.
3. All Flammable Solvents or other flammable materials, chemicals and waste will be stored in accordance with all applicable laws, rules and regulations. At no time will the Facility store more Flammable Solvent than the maximum amount established for the Facility by a Licensed Architect, Certified Industrial Hygienist, or Professional Engineer.
4. The facility will ensure that the appropriate safety and sanitary equipment, including personal protective equipment, will be provided to, and appropriately used by, each employee engaged in the production of a Solvent-based Medical Marijuana Concentrate; and a properly trained employee will be present at all times during the production of a Solvent-based Medical Marijuana Concentrate whenever an extraction process requires the use of pressurized equipment.
5. Ethanol and Isopropanol: If the Facility only produces Solvent-based Medical Marijuana Concentrate using ethanol or isopropanol and no other solvent, then it

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shall be relieved from the criteria above in this section titled "Production of Solvent-based Medical Marijuana Concentrate." Instead, the Facility will follow the criteria for water-based (non-solvent) extraction. Regardless of which criteria is followed, the ethanol or isopropanol will be food-grade or at least 99 percent pure and denatured alcohol will not be used.

16 Water-based Medical Marijuana Concentrate & Food-based Medical Marijuana Concentrate

16.1 Production Criteria

When engaging in the production of a Water-based Medical Marijuana Concentrate or a Food-based Medical Marijuana Concentrate, the Facility will:

1. Ensure that all equipment, counters and surfaces used in the production of a Concentrate is food-grade, as well as ensure that all counters and surface areas were constructed in such a manner that they can be easily cleaned, and the potential for the development of microbials, molds and fungi is reduced.
2. The facility will ensure that all equipment, counters, and surfaces used in the production of a Concentrate are thoroughly cleaned after the completion of each Production Batch.
3. The facility will ensure that any room in which dry ice is stored or used in the processing of Medical Marijuana into a Medical Marijuana Concentrate is well ventilated to prevent against the accumulation of dangerous levels of CO₂.
4. The Facility will ensure that the appropriate safety or sanitary equipment, including personal protective equipment, is provided to and appropriately used by each employee engaged in the production of a Concentrate.
5. The Facility will ensure that only finished drinking water and ice made from finished drinking water is used in the production of a Water-based Medical Marijuana Concentrate.
6. The Facility will ensure that water is to be sourced locally (on-site) and trucked water shall not be allowed, except for emergencies, where "emergency" is defined as: "a sudden, unexpected occurrence demanding immediate attention." Pursuant to *CMMLUO 55.4.11 m*.
7. The Facility will ensure that if propylene glycol or glycerin is used in the production of a Food-based Medical Marijuana Concentrate, then the propylene glycol or glycerin to be used is food-grade.
8. The Facility will ensure it follows all of the process criteria related to the production of a Solvent-based Medical Marijuana Concentrate if a pressurized system is used in

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the production of a Water-based Medical Marijuana Concentrate or a Food-based Medical Marijuana Concentrate.

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EAGLE ONE, LLC
DISPENSARY OPERATIONS PLAN

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OPERATIONS MANUAL | EAGLE ONE LLC DISPENSARY

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1 OVERVIEW

1.1 Objectives of This Document

1. To help guide Eagle One advisors, team management, and team members in developing and sustaining productive and successful business practices
2. To document Eagle One dispensary operations procedures and policies as they relate to Eagle One functions
3. To provide current Eagle One dispensary operations policies for financial management and team-management procedures
4. To serve as a reference for questions and problems as they arise in the day-to-day operations of Eagle One dispensary team

1.2 Nature of Eagle One LLC

These same commitments will drive Eagle One's approach to the production and delivery of medicine to qualified patients in California's medical marijuana program. Eagle One's enterprise philosophy and operations platform has been built upon the background expertise of Eagle One principals and then adapted to align with evolving medical marijuana industry standards, such as the Patient Focused Certification (PFC) set forth by the Americans for Safe Access (ASA) organization. PFC is the nation's only dispensary certification program that meets or exceeds the American Herbal Product Association (AHPA) and the American Herbal Pharmacopoeia marijuana monograph guidelines.

1.3 Values & Vision

These principles form a core part of the framework that defines not only our Humboldt County Operations Plan, but also our overarching business philosophy.

VALUES

We hold that the surest path to creating a business with staying power in Humboldt County is by continually working to strengthen the community. Our mission is to succeed first and foremost by staying true to our Humboldt roots. Not just by benefitting from the culture here, but by participating in it, and by building our business according to a time-honored truth: In this community, real strength is found in helping strengthen those around you.

VISION

These values guide our vision: To build a lasting business that creates opportunities and empowers the community around us. Our loyalty to a philosophy of inclusiveness will play a key role in those efforts, as will our commitment to defending the County's values, honoring its

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history, and preserving its culture. We want to include everyone, and we're committed to helping the County grow the future together.

1.4 Dispensary Compliance With California Regulations

Every Dispensary employee will understand and appreciate the structure of California's regulatory scheme for the management of medical marijuana. Ready access will be provided to copies of the regulatory materials. This document addresses various elements required for operations under regulations set forth by Ordinance s #2544 and #2543, as well as those set forth by the Bureau of Marijuana Control, California Code of Regulations Title 16, Division 42.

1.5 Eagle One Dispensary Locations

1.5.1 General Overview

Eagle One will operate at:

3525 Redwood Drive

Redway, CA 95560

1.6 Eagle One's Compliance with Federal Priorities

Eagle One and its employees are aware of and committed to the following objectives, set forth by the U.S. Department of Justice "Cole Memorandum", as definitive of Eagle One's participation in the State of California's medical marijuana marketplace:

1. Preventing the distribution of marijuana to minors
2. Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels
3. Preventing the diversion of marijuana from states where it is legal under state law in some form to other states
4. Preventing state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity
5. Preventing violence and the use of firearms in the cultivation and distribution of marijuana
6. Preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use
7. Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands
8. Preventing marijuana possession or use on federal property

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2 PATIENT-CENTERED MISSION

2.1 Overview

The changing perception among the medical community and general public means that individuals from all walks of life are becoming more receptive to exploring marijuana for both recreational and medicinal purposes. This new openness puts a spotlight on just how much the public doesn't know about marijuana and how opaque the diagnostic and selection process may be.

Within the SMCD, dispensary employees are generally known as "Patient Care Agents" ("PCAs"). All PCAs are expected to educate themselves on the broad range of available marijuana strains, marijuana-infused products, and their optimal medical uses. A PCA is a de facto caregiver, which makes clear, accurate communication quite important. This is significant because supporting patient health and establishing an optimal marijuana regimen may involve a great deal of exploration; trial and error. Central to that mission are trust, comfort, and the continual mitigation against potential unpleasant experiences, particularly allergic reactions or side effects with other medications.

In store, or wherever new opportunities arise, EAGLE ONE works relentlessly to give Patients the most compelling shopping experience possible. We strive to offer the Patient the best possible experience, service, selection, quality and value.

2.2 Patient Screening, Registration, & Validation

2.2.1 Patient Screening Process

All patients seeking to purchase medical marijuana and/or marijuana products from Eagle One will be screened and evaluated through the following:

- (a) Proof of Residency: At entry, all patients must provide a valid California Identification Card or California Driver's License as proof of residency.
- (b) Current Medical Recommendation: All potential patients must provide a medical recommendation, issued by a licensed California physician in good standing with the medical board of California, recommending to the specific patient the use of medical marijuana
- (c) Verification of Medical Recommendation; Eagle One staff will verify that the recommendation is validly generated by the recommending physician's office (either telephonically or through an internet verification system), prior to allowing any patient access to the Dispensary.
- (d) Verification of Physician Status: Eagle One staff will verify, through the California Medical Board website, that the recommending physician associated with a patient's

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recommendation is in good standing to practice medicine in the State of California, before allowing such patient access to the Dispensary.

- (e) Execution of Collective Membership Agreement: All patients must review and execute an Eagle One “Collective Membership Agreement” that acknowledges the terms and conditions of membership, details patient profiles and necessary contact information for the patient, and provides additional guidance as Eagle One or California authorities deems necessary.

Patient screening information will be stored in Eagle One’s compliance and point-of-sale software.

Patient recommendations from qualified physicians will be stored with effective Expiration Dates, allowing good-standing returning patients to gain access with valid identification and computer confirmation that the recommendation information on file is current.

Patients with expired recommendations will be required to repeat the patient screening procedures, with current information and qualifications, before gaining access to the Dispensary.

2.2.2 Caregiver Screening Process

All caregivers seeking to obtain medical marijuana and/or marijuana products from Eagle One on behalf of a qualified patient will be screened and evaluated through the following:

- (a) Initial Visit: Unless the patient is non-ambulatory and the caregiver possesses a “notarized” caregiver designation from the patient, then a patient and their caregiver must come to the Dispensary together for the initial visit.
- (b) Patient Screening Protocols
 - i. Proof of Residency: At entry, all patients must provide a valid California Identification Card or California Driver’s License as proof of residency.
 - ii. Current Medical Recommendation: All potential patients must provide a medical recommendation, issued by a licensed California physician in good standing with the medical board of California, recommending to the specific patient the use of medical marijuana
 - iii. Verification of Medical Recommendation; Eagle One’s staff will verify that the recommendation is validly generated by the recommending physician’s office (either telephonically or through an internet verification system), prior to allowing any patient access to the Dispensary.
 - iv. Verification of Physician Status: Eagle staff will verify, through the California Medical Board website, that the recommending physician associated with a patient’s recommendation is in good standing to practice medicine in the State of California, before allowing such patient access to the Dispensary.

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- v. Execution of Dispensary Membership Agreement: All patients must review and execute a Eagle One “Dispensary Membership Agreement” that acknowledges the terms and conditions of membership, details patient profiles and necessary contact information for the patient, and provides additional guidance as Eagle One or California authorities deems necessary.
- (c) Caregiver Designation Form: The caregiver must present a Caregiver Designation Form signed by the patient which authorizes the caregiver to purchase medical marijuana on behalf of the patient.
- (d) Caregiver Membership Form: The caregiver must review and execute the Eagle One Dispensary Membership Form that acknowledges the terms and conditions of membership, details patient profiles and necessary contact information for the patient, and provides additional guidance as Eagle One or California authorities deems necessary.

Caregiver-Patient screening information will be stored in Eagle One’s compliance and point-of-sale software.

Caregiver-Patient designations and the associated recommendations from qualified physicians will be stored with effective Expiration Dates, allowing good-standing returning caregivers to gain access with valid identification and computer confirmation that the both the recommendation information and caregiver designation on file are current.

Caregivers Patients with expired patient recommendations or caregiver designations will be required to repeat the screening procedures, with current information and qualifications, before gaining access to the Dispensary.

2.3 Patient Education

Eagle One’s commitment to Patient service puts patient information at the center of operational success. Eagle One will generate, compile, and deliver relevant information regarding the efficacy of MMJ based on the components present in the various strains offered.

Eagle One dispensary agents will confer with each patient to understand their full circumstances and situation, including the client’s ailment, personal history, personal preferences, and practical dimension of administration. EAGLE ONE will offer patient educational guidance and materials in multiple languages, and audio formats will be provided for the visually impaired. EAGLE ONE will provide counsel regarding.

2.3.1 Marijuana Formats & Ingestion

The various forms through which patients may consume marijuana continue to expand, and EAGLE ONE’s agents and written materials will be able to convey practical guidance and state-

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of-the-science information regarding a range of product formats and ingestion methods. **AT ALL TIMES, EAGLE ONE WILL ONLY PROVIDE MEDICINE IN FORMATS APPROVED BY THE STATE.**

- **Smoking (Dried Flowers, Hash, Kief)** – Smoking using various forms of joints, pipes, and water pipes is the most traditional form of MMJ consumption. The effects of the medicine when smoked can be felt almost immediately and last between 90 minutes to 4 hours depending on the strain, potency and concentration of various cannabinoids. Regularly smoking can have a negative impact on lung function and other health factors, making smoking MMJ a lesser recommended method of consumption.
- **Vaporizing (Dried Flowers, Hash, Kief)** – Vaporizing releases the cannabinoids in MMJ at a much lower temperature than smoking, producing a vapor that is inhaled. The vapor is less harsh than smoke and often easier for novice MMJ patients to consume. Vaporizing delivers all of the same benefits of smoking without the carcinogens. Additionally, vapoing extracts the cannabinoids more efficiently, requiring less MMJ to be consumed for the same amount of relief. Vaporizing, in most patient cases, would be the recommended consumption method.
- **Topicals (Lotions, Salves, Balms, Sprays, Oils, Creams)** – Topicals are typically used as analgesics and anti-inflammatories. These medicines can be useful in treating the symptoms of cancer patients and other diseases and conventional medical treatments that have side effects such as rash, sore muscles, arthritis, chapped skin, minor burns, joint pain, and swelling.
- **Tinctures (Concentrated Marijuana in Alcohol Solution)** – Tinctures can be administered under the tongue or mixed with liquid. Tinctures can also be incorporated into beverages and sold in single serve containers. On their own, tinctures are highly concentrated so being mindful of dosage is important. Tinctures and tincture derived beverages may be a good fit for patients that can't or do not want to smoke/vaporize.
- **Edibles (Foods Cooked using Marijuana Infused Butter or Oils)** – There are a variety of edibles available with differing potencies. Edibles deliver longer lasting effects (4 hours or more) but take 20 minutes to 1 hour before the taking effect. Because of this delay it can be easy for patients to over-consume edibles. It is important to ensure that the patient understands the proper dosing and amount of time they need to feel the effects of the medicine. Edibles are not recommended for nausea for obvious reasons, but are effective for controlling spasms and pain and providing relief from sleeping disorders.

2.3.2 Marijuana pharmacodynamics.

Guidance regarding dosage issues, including information on bio-availability and calculation of dosage and practical steps for determining the optimal dosage for a given format.

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2.3.3 Marijuana storage

The best practices and practical tips for storing and maintaining all types of medical marijuana so as to prevent degradation or contamination.

2.4 Patient Interaction & Patient Service Standards

EAGLE ONE Patient Service Standards:

1. Greeting:

- BEFORE you ask any Patient what they product they might be interested in, offer them a salutation (ex: "Hello", "Hi how are you", "Welcome to Eagle One Marijuana"). THEN ask them what product they might be interested in (ex: "What can I get for you today", "Can I answer any questions", "How can I help you" are acceptable phrasings. "Whaddaya want" is NOT!) Remember to smile!

2. Eye contact

- Should be consistent through the entire exchange aside from making and assembling the Patient's order. The first and last points of your exchange with the Patient should involve direct eye contact.

3. Patient Recognition:

- When a Patient enters the store or appears in line give them a verbal salutation so they know you are aware they are there.
- If in conversation with fellow staff, stop and address the Patient immediately.
- If you can't help them immediately let them know that you will be right with them. When possible use the Patient's name.
- Be sure to thank every guest for visiting Eagle One and let them know you look forward to seeing them again soon. It is our job to build lasting Patient relations.

4. Knowing your market and clientele.

Be aware of the immediate neighborhood surrounding your location, of events happening in the area that may affect business in any positive or negative way and plan accordingly.

1. Ask your Lead PCAs questions. Be positively active in educating yourself in the culture and engaging in local marijuana events.

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2. Visit local marijuana dispensary locations.
 - Be aware of the general social mores of your clientele as a whole and as individuals and offer conversation accordingly.
 1. Avoid sensitive and controversial topics, such as politics and religion
 2. Get to know you Patients, ask Patients about work/life if appropriate.
5. Additional services:
 - Know your Patient's needs at and away of the counter. If you see someone considering glassware ask them if they would like any assistance.
 - If they need any additional product or are interested in paraphernalia, educate them on the equipment and demonstrate if possible.
 - Ask Patients about past experiences with products. Is there something they like in particular? Is there a certain effect they are trying to achieve?
 - If a Patient is not satisfied with the product received from Commencement Bay in the past, apologize and use that experience to troubleshoot and find a more appropriate product.
 - If we do not have what a Patient is looking for ensure we are seeing if it is available to order or try and find something comparable.

2.5 Patient and Patient Confidentiality

[INSERT]

3 STAFF TRAINING & EDUCATION

3.1 Staffing Principles

Eagle One's commitment to professionalism and patient-care is embodied in its collection of hyper-qualified professionals, its comprehensive compilation of industry best practices, institutional knowledge, and its structured programs for training its staff in the science and use of medical marijuana. Eagle One will demand uncompromising excellence from its staff and will provide for ongoing education regarding the entire scope of medical marijuana issues. In so doing, Eagle One will ensure the conscientious delivery of medicine and the safety of their patients.

From the initial stages of candidate vetting, through hiring and ongoing education, Eagle One is focused on establishing the right employees in the right jobs and ensuring that those

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employees are entirely current and compliant with age requirements, character/background required by statute, and the best-practices prevailing in this industry.

All Eagle One staff must obtain and maintain approval by DOH to act as medical marijuana dispensary employee, including irrevocable (during time of employment) consent to have background checks run to determine their qualification for employment.

Eagle One's hiring processes will include multiple interviews, background checks, and training. Eagle One requires background checks on all candidates for employment. To the extent permissible by California State and Federal employment law, Eagle One will not hire persons with criminal histories, or background check results inconsistent with Eagle One's mission to operate a legal and socially responsible enterprise. Training for all employees includes education on local, state, and federal laws regarding medical marijuana.

3.2 Marijuana Product Manufacturing

3.2.1 Health & Safety Training

Prior to engaging in the manufacture of any Edible Medical Marijuana Infused Product, the Eagle One will have an owner or employee who has successfully passed an approved and accredited food safety certification examination as specified in Sections 113947.2 and 113947.3 of the California Retail Food Code. Food safety certification will be achieved by successfully passing an examination from an accredited food protection manager certification organization. The certification organization will be accredited by the American National Standards Institute as meeting the requirements of the Conference for Food Protection's "Standards for Accreditation of Food Protection Manager Certification Programs."

3.2.2 Knowledge

- 1. All food (Edible Medical Marijuana-Infused Product) employees will have adequate knowledge of, and will be properly trained in, food safety as it relates to their assigned duties.*
- 2. There will be at least one food safety certified owner or employee at the facility responsible for setting policy and providing training to employees. The certified owner or employee need not be present at the food facility during all hours of operation.*
- 3. The certified owner or employee will be responsible for ensuring that all employees who handle, or have responsibility for handling, non-prepackaged foods of any kind, have sufficient knowledge to ensure the safe preparation of the food. The nature and extent of the knowledge that each employee is required to have may be tailored, as appropriate, to the employee's duties related to food safety issues.*

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4 DAILY OPERATIONS

4.1 Staff Hygiene

All EAGLE ONE employees understand the importance of hygiene for the safety and integrity of the product and of Patient's health. Every employee agrees to:

- (a) Clean his or her hands and exposed portions of his or her arms in a hand-washing sink:
 - i. Before preparing edible marijuana products or marijuana-infused products, including, without limitation, working with ingredients, equipment or utensils;
 - ii. After handling soiled equipment or utensils;
 - iii. After touching bare human body parts other than his or her clean hands and exposed portions of arms; and
 - iv. After using the toilet facilities.
- (b) If working directly in the preparation of edible marijuana products or marijuana-infused products:
 - i. Keep his or her fingernails trimmed, filed and maintained so that the edges and surfaces are cleanable; and
 - ii. Unless wearing intact gloves in good repair, will not have fingernail polish or artificial fingernails on his or her fingernails.
- (c) Wear clean clothing appropriate to the tasks assigned to him or her.

If any Eagle One PCA has any health condition that they reasonably believe may adversely affect the safety or quality of Eagle One Products, that PCA is prohibited from having direct contact with any Products or product-related equipment until a designated Eagle one authority determines that the health condition of the PCA will not adversely affect the Product.

More broadly, the hygiene obligations set forth in Sections 80 to 101 of the adopter regulations, and their parallel presentation in both the NRS and NAC, will be converted into a clearly defined hygiene regime and effective training program. Any Eagle staff who are involved in the production or processing of medical-grade marijuana or marijuana-related Product will be required, with recurrent regularity, to complete such training and affirm their hygiene practices. Eagle One is unalloyed in its commitment to Product safety and conscientious care for Patient health.

4.2 Serving & Transaction Limits

[INSERT RELEVANT LIMITS – ORDINANCE]

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4.3 Patient-Service Guidelines

EAGLE ONE strives to be a leader in efficiently and effectively serving patients and providing the best possible experience. In order to clearly communicate and understand what a patient is looking for:

- Ask a Patient to describe the symptoms they want to address.
- Ask a Patient to describe the TYPE of relief they are looking for.
- Phrase questions in a way that makes Patients feel comfortable. For example “Of all the people I see in your situation...”

Finally, when consulting with a Patient, take a few minutes to share about yourself and about your experience (when appropriate and in a professional manner).

4.4 Operational Workflow

4.4.1 General Procedures

[INSERT RELEVANT CROSS-REFERENCES FROM OTHER OPERATIONAL MATERIALS]

4.4.2 Opening checklist

- Lock the door behind you as you enter the building.
- Unarm the security system.
- Turn on the lights in the facility.
- Store your personal belongings in your locker.
- Put on your badge.
- Clock in for your shift.
- Open product vault and begin stocking the shelves for the day.
- All Bud Tenders/Cash Handlers need to log into Green Bits and prepare your cash drawer for your shift.
 - Open the safe and take the appropriate bank bag out. Make sure the safe is securely closed once you remove your bag.
 - Count your bank bag to ensure that your starting cash is exact. \$[?].
 - Make sure to enter your exact starting cash into Green Bits. For example, If your bank bag only has \$195 in it, then you enter \$195.
- Turn on the music.
- Do a sweep of the store to make sure that the space looks tidy.
- Do a sweep behind the counter to make sure that your inventory is sufficiently stocked and the area is tidy.

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- **MANAGEMENT/LEAD PCAS** should ensure that the security has arrived and is ready to begin their shift.
 - Ensure that the staff is sufficiently prepared for their shift, and logged into their POS terminal.
 - Facilitate a short team huddle to brief the staff on daily goals and any pertinent business matters.
 - Check phone messages.

4.4.3 Closing checklist

- Lock the doors.
- Begin loading the back stock of inventory onto the carts to bring to the product vault.
- All Bud Tenders/Cash Handlers need to count down and reconcile their cash at the end of the business day
 - Take your starting cash total (?) and the 'Net Cash' amount listed for your shift. The amount in the cash drawer needs to add up to the sum total of these two figures. It helps to have paper available to write the totals out for the cash and change as you tally it up.
 - Start with the largest bills first. Count them out and lay them on the counter, all facing the same way. Write down the amount. Count down the hundreds, fifties, twenties, tens, fives and ones and lay them out in piles according to denomination. Write down the total for each of these denominations in a separate row on your piece of paper. Once again, make sure that all of the bills are facing the same way. Count down the change. Keep the change in its own compartment to better keep track of it. Write down the totals as you go.
 - Add up the total of the cash drawer and reconcile it against your ending figure from step 1. The amount should match. If it doesn't, recount your piles and make sure that your figures are correct. If there still is no match, check under the cash drawer to make sure some money didn't end up under there. If you have an overage or you fall short, you need to make note of this and track down where the error happened. YOU are ultimately responsible for any overages/shortages. Please note any details, notify the assistant manager, and expect a follow-up.
 - Enter your net cash amount that you counted.
 - Print your 'Shift Report', highlight the 'Net Cash', 'Closing Drop', and 'Over/Short' amount to signify to the manager that you have noted and take responsibility of those numbers.
 - Log out of Green Bits.

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- Secure your closing drop, along with your 'Shift Report' in the (?envelope). Put the envelope directly in the drop safe.
- Sweep & Vacuum.
- Stock and tidy the bathrooms.
- Windex the glass display cases and make sure displays look neat and presentable.
- Replenish the educational material.
- Turn off the music.
- Sweep the entire building (incl. restrooms) to ensure that no one is unaccounted for.
- Glance over the area to make sure the space looks exactly like you would want to find it in the morning when you open.
- Clock out at the end of your shift.
- Take your personal items out of your locker.
- Turn out the lights
- Arm the alarm and lock the door behind you.

4.4.4 Transition Checklists

4.4.4.1 Morning Shift > Evening Shift

- Windex display cases.
- Make sure display cases look neat and presentable.
- Make sure the back-stock of inventory is fully stocked.
- Replenish bathroom supplies and tidy.

4.4.4.2 Start of Evening Shift

- Store your personal belongings in your locker.
- Put on your badge.
- Clock in for your shift.
- Meet in the backroom for a brief team huddle led by the Assistant Manager or Lead Bud Tender.
- All Bud Tenders/Cash Handlers need to prepare your cash drawer for your shift.
 - Open the safe and take the appropriate bank bag out. Make sure the safe is securely closed once you remove your bag.
 - Count your bank bag to ensure that your starting cash is exact. \$[x] .
 - Once your cash drawer is ready, exit the back room and take your cash drawer directly to the POS terminal you will be working at. Make sure the previous cash handler is ready to suspend their shift.

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- Make sure to enter your exact starting cash into Green Bits. For example, if your bank bag only has \$195 in it, then you enter \$195.
- Evening shift MANAGEMENT/LEAD PCAS should ensure that the security has arrived and is ready to begin their shift.
 - Facilitate a short team huddle to brief the staff on daily goals and any pertinent business matters.
 - Ensure that the staff is sufficiently prepared for their shift, and logged into their POS terminal.

4.4.4.3 End of Morning Shift

- All Bud Tenders/Cash Handlers need to count down and reconcile their cash at the end of their shift.
- Suspend your shift when the evening cash handling bud tender has arrived to take your place.
 - Take your cash drawer to the back room.
 - Take your starting cash total (?) and the 'Net Cash' amount listed for your shift. The amount in the cash drawer needs to add up to the sum total of these two figures. It helps to have paper available to write the totals out for the cash and change as you tally it up.
 - Start with the largest bills first. Count them out and lay them on the counter, all facing the same way. Write down the amount. Count down the hundreds, fifties, twenties, tens, fives and ones and lay them out in piles according to denomination. Write down the total for each of these denominations in a separate row on your piece of paper. Once again, make sure that all of the bills are facing the same way. Count down the change. Keep the change in its own compartment to better keep track of it. Write down the totals as you go.
 - Add up the total of the cash drawer and reconcile it against your ending figure from step 1. The amount should match. If it doesn't, recount your piles and make sure that your figures are correct. If there still is no match, check under the cash drawer to make sure some money didn't end up under there. If you have an overage or you fall short, you need to make note of this and track down where the error happened. YOU are ultimately responsible for any overages/shortages. Please note any details, notify the assistant manager, and expect a follow-up.
 - Go back out to the POS terminal you were working at. When time allows discretely and swiftly open your suspended shift and enter the net cash amount that you counted from your cash drawer.

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- Print your 'Shift Report', highlight the 'Net Cash', 'Closing Drop', and 'Over/Short' amount to signify to the manager that you have noted and take responsibility of those numbers.
- Log out of Green Bits.
- Secure your closing drop along with the 'Shift Report' in the (?envelope). Put the envelope directly in the drop safe.
- Take your personal items out of your locker.
- Clock out at the end of your shift.
-

4.5 Point of Sale Cash Operations

4.5.1 General Procedure

4.5.1.1 Handling and safeguarding cash

All cash should be kept in a locked/combination vault or safe, or, in a locked room in a locked drawer or file cabinet, during non-business hours. Access to areas where cash is stored should be limited to only those employees who need access, and have been designated to have access. During business hours, all forms of cash should be stored in locking drawers, cash registers, and cash boxes. Only the cashier collecting these monies should control over this cash, and make sure that the cash is securely locked when they take lunch, or a break. The cashier should have complete control and responsibility for the cash they collect during business hours. To reduce the risk of error, all cash should be separated according to the denomination, and should face the same direction. When possible, areas that store cash should be alarmed during non-business hours. · All types of cash should be deposited within 3 business days.

Separation of Duties: The cashier accepting the cash payments in the register balances these payments daily. There will be a form documenting which employee was assigned to which register number. This deposit goes to another employee to have the monies confirmed, and the appropriate documentation prepared. Management will count the daily cash deposits prepared by employees for each register. Management will prepare the deposit for the armored pick-up. Management will document the deposit amount to make sure that it reconciles with EAGLE ONE accounting.

4.5.1.2 Opening the cash drawer

Shift opening steps should include having the employee sign in to the register log. Get the appropriate bank bag for your register. Count the starting money for the cash drawer, verification of the amount by a second employee, and recording the opening amount in Green

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Bits. Employees must follow safe cash-handling procedures when processing transactions during their shifts -- You are held responsible for any discrepancies in your cash drawer.

4.5.1.3 Closing the cash drawer

At the end of their shift, each employee should count the cash in their drawer. These counts should be verified by a second employee. The employee should record all these amounts on their shift report.

4.5.1.4 Petty Cash

Employees needing to get change should request a petty cash from management. Management is responsible for distributing appropriate change, and ensuring that there are small bills and change readily available at all times. This cash should be counted daily and logged by management.

4.5.2 Managements Daily/Weekly Cash Reconciliation Procedure

4.5.2.1 DAILY SALES RECONCILIATION

Gather the daily drops from the drop safe.

Fill out your daily sales worksheet.

- Organize your drop envelopes sequentially by register number. Starting with register 1.
- Pull out the shift report. Highlight the 'Net Cash' amount, the 'Closing Drop' amount, and the 'over/short' amount.
- Take a moment to note that everything on the report looks correct. For example: The time that the shift was opened, the employee that opened it, the starting cash amount (should always be \$200), the dates that the shift was open, discounts (discounts should be regularly investigated to make sure that everyone is following discount guidelines), etc.
- Record the numbers on your Daily Sales Worksheet. Document the reasons for any overages/shortages in the notes section. Each employee should be noting and explaining any discrepancies. If not, please get in contact with the employees that worked that shift and investigate. **ALL VARIANCES IN THE NUMBERS NEED TO BE ACCOUNTED FOR.**
- Count the cash in the envelope making sure that the cash in the envelope matches the amount documented in the 'Closing Drop' column. Any discrepancies need to be addressed with the employee operating the register on that date/time. The employee on that register is responsible for those discrepancies.

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- Once each envelopes information is properly recorded, and the money is accounted for, total the weekly deposit on the worksheet. Recount all the cash to make sure that your total on the worksheet matches the total cash in hand. You are responsible for those discrepancies.

Fill out a bank deposit information for armored truck pick-up. Put the deposit slip and the cash into a bank bag. Store that bank bag in the safe until armored truck comes for pick-up. It is your responsibility to keep that money in a safe place and ensure its security until it is deposited in the bank.

Clip the coinciding shift reports with the weekly sales worksheet and the deposit slip so that all the information is in one place, and all the money is fully accounted for. File in the appropriate months file.

4.5.2.2 Daily Sales Worksheet

DATE / REGISTER #	NET CASH	CLOSING DROP	OVER/SHORT	NOTES
TOTALS:				

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DATES	DAILY DEPOSIT TOTAL (the sum of all the closing drops)

4.5.2.3 Monthly Sales Worksheet

***PLEASE PRINT A MONTHLY SALES REPORT AND ATTACH IT TO THIS WORKSHEET, AND FILE IN THE APPROPRIATE FILE.**

WEEKS DATES	WEEKLY GROSS SALES	WEEKLY DISCOUNT	WEEKLY NET SALES	WEEKLY GOAL	VARIANCE	NOTES

MONTHLY TOTAL				MONTHLY GOAL		
--------------------------	--	--	--	---------------------	--	--

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4.5.3 Management's Weekly/Monthly Reports

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5 INVENTORY MANAGEMENT

5.1 Loss & Diversion Prevention

The security measures will secure the medical marijuana against diversion for non-medical purposes by protecting against theft not only from intruders, but also from staff members and visitors. This is done by limiting access both into and within different areas of the facility as necessary and by surveillance monitoring of personnel and visitors at all times when in close proximity to the product. Strict inventory control measures will also be engaged to prevent and detect diversion.

5.1.1 Daily Operations Training

EAGLE ONE will diligently train and periodically audit employees on all inventory management practices, including the use of EAGLE ONE's integrated Seed-to-Sale based Point of Sale (STS+POS) software and Inventory Control protocols. EAGLE ONE employees will learn compliant practices and technologies necessary to daily operations and useful for identifying inventory discrepancies and potential diversion. Stringent execution of the Inventory Control procedural steps and STS+POS reporting capabilities will ensure that EAGLE ONE has complete and real-time awareness of its entire inventory of medical marijuana products.

5.1.2 Diversion Prevention Training

All EAGLE ONE Dispensary employees will be trained in procedures related to detection and prevention of diversion of medical marijuana. This will be in addition to training on all daily operations standard operating procedures.

EAGLE ONE's Diversion Prevention Training will address:

- Security measures and anti-diversion controls (i.e., preventing theft, loss, or misuse of marijuana);
- Using the Department's Seed-to-Sale (Electronic Tracking) System as an anti-diversion tool;
- PADOH Rules and Regulations relating to medical marijuana;
- Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;
- Physical Security;
- Operational policies and procedures, including
 - patient data and certificate verification;
 - limitations on dispensing medical marijuana products;
- Reporting Requirements and Channels; and

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- EAGLE ONE's "whistleblower" structure and procedures, designed to ensure complete safety and protection in reporting possible issues relating to diversion or negligence.

5.1.3 Training Frequency

Training sessions will also be conducted throughout the year. This training may be conducted by licensed third parties, as permitted by the Department, including: law enforcement, consultants, and other presenters on topics that EAGLE ONE determines are relevant to the employees at EAGLE ONE Dispensary facilities. All EAGLE ONE employees, as well as contracted third parties, will acknowledge by signature that they have read and understand all policies and procedures for which they have been trained.

5.2 ERP - Patient Management

5.2.1 Intake & Data-Collection - Dispensary

Careful attention to and preservation of patient records is vitally important to regulatory compliance and effective operations management. Eagle One's patient-information management system ("ERP") will create and maintain patient records as the backbone for transaction management and tracking. Eagle One's ERP will regularly and via automated process send the relevant patient verification—and other salient transactional and inventory data—to the state system, via API and up-to-date integrations.

When a Patient arrives at the store, they will be courteously checked into the system, calling up the complete record of their historical interactions and ensuring that any new information is properly captured. Eagle One's ERP solution will ensure the following as a pre-requisite to any dispensation of medical marijuana:

1. Identity verification of the presenting patient or designated caregiver;
2. Availability of appropriate and useful educational information;
3. Registry ID verification;
4. That the transaction is within the patient's permitted quantity range for the relevant period.

The patient-record will enable Eagle One to regularly and effectively associate related materials and information, such as: state issued identification cards, recommendations, intake forms and all paperwork relating to the intake process, registration number, expiration date and photo ID.

Patient-record and general ERP data entry and modifications will be logged with changes made, username, and timestamp meta-data. Eagle One policy and system-permissions will ensure that only the appropriate agents will have access to viewing and modifying records. Strict control of Eagle One devices and authorizations will limit the existence of or access to patient-

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record data, and fail-safes will be put in place to enable administrators to de-authorize all devices at any moment, as well as logging out all users. With this enabled, if EAGLE ONE IT security is breached, proprietary information and patient-privacy data can be protected with the push of two simple buttons.

In order to actively ensure compliance with California regulations regarding purchasing quantities over periods of time, Eagle One's ERP will track for each patient their historical weight purchased, both of flower and infused products (tracked by weight of pre-mixed infusion). Sales that would exceed the established cumulative transaction limit will be blocked at the point of sale and the employee is alerted that the purchase exceeds the allowed weight. If a patient has an approved override to this limit, their unique purchase limit can be tracked individually. Any such denials of service will be logged within order notes, for cases where patients have already purchased their maximum allowable weight or any other reason.

EAGLE ONE's system will further ensure that expired, banned or otherwise unqualified patients and caregivers are flagged and thereby unable to conduct transactions within the sales system.

In addition, the patient-and-inventory management system will collect the following per-transaction data:

- a. The name and number of the **registry identification** card of the patient or the name of the designated primary caregiver of the patient;
- b. The **amount** of medical marijuana dispensed;
- c. Whether the medical marijuana was dispensed to the **patient or to the designated primary caregiver** of the patient;
- d. The **date and time** at which the medical marijuana was dispensed;
- e. The **agent registration card number** of the medical marijuana establishment agent; and
- f. The **registration certificate number** of the medical marijuana establishment.

As with the patient verification workflow, EAGLE ONE's ERP will automatically send this data to the state system, via API, once integration is available.

5.2.2 Privacy & Security of Data Storage

As required by law and in pursuit of patient confidence and privacy, Eagle One will ensure that its system stores all necessary data on accredited and potentially HIPAA-compliant servers (if determined necessary). Eagle One and its information technology providers will maintain stringent physical security of servers, maintain access control restrictions to the data and servers, and protect patient identifiable information through encryption. All patient-record data access will be managed based on tiers of "user role" and associated permissions: username/password access will be required for each user accessing the system, with all passwords being tested for strength and subject to regular renewal.

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Patient records will be properly and securely maintained for at least six (6) years from their date of last transaction or reference.

5.3 ERP – Inventory Management

The facilities inventory control process includes tracking of all incoming raw and processed materials, including the name and state license number of the cultivator, the testing lab data (as applicable), the strain, the supplier's product tracking identification data, and bill of lading from the transport Eagle One. All incoming raw materials will be assigned a batch number that can be cross referenced to the above referenced data and stays with the product through the manufacturing process and to final sale to distributors and/ or retailers. All outgoing product will be tracked by SKU, batch number, invoice, and shipping documents; unless the product is not for sale and will be destroyed. The process for documenting product to be destroyed is described separately in this manual.

The methodologies for tracking and Inventory Control of Medical Marijuana and Medical Marijuana-Infused Product may be subject to requirements imposed by the State Licensing Authority and will be adjusted accordingly as required.

- Inventory Generation & Tracking
 - Classifications for type and caliber of Product
 - Price and profile designations, including pricing
 - Assign unique barcodes or use existing product barcodes
 - Transfer inventory within facility to ensure real-time, to-the-room accuracy of information
 - Create virtual labels and identifiers...then print as needed.
- Inventory data be accessed based on an employee's site permissions, allowing management to provide rules-based access to only selected inventory at selected sites to a specific employee.
 - Mobile devices enabled – perform stocking-actions directly on the device or print stock-takes for manual paper then PC entry
- Purchase Order creation and receipt
- Traceability functionality records and tracks details regarding supplier, supply date range, supplier batch details, purchase order number and more
 - Balance of all inventory is available at all times, filtered according to demand.
- Re-stocking and supply level alerts generated when an inventory item has a low balance, the alert level is individually set for each inventory component
- Staff authorizations as "Patient Care Agents"
 - Add employees and vehicles for the built-in transportation features
 - Add vendors

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- Financials
 - Create and track records of accounts receivable/payable, including invoicing for actual transactions
 - Manage and record inbound and outbound transfers
 - Audit Inventory, particularly in terms of accurate reportage on Product volumes and state of preparedness.
 - Create different inventory types
 - Tax collections/tracking
 - Set price points

5.3.1 Monthly and Annual Inventory Reviews

The Eagle One Dispensary team will conduct physical inventory counts of medical marijuana products monthly. Eagle One's Quality Assurance team will independently audits of physical inventory of medical marijuana products vs. reported stock in the Seed to Sale Inventory Control system on at least an annual basis.

EAGLE ONE will produce reports from its Seed to Sale Inventory Control system that document inventory audits and include the following information at a minimum:

- The date of the inventory audit
- A summary of the inventory audit findings and,
- The employee identification numbers, names, titles or positions of the individuals who conducted the inventory audit

This information will be made available internally and to the Department upon request.

Eagle One's STS+POS system is designed to incorporate several checks and balances to carefully manage Eagle One's medical marijuana product inventory and prevent discrepancies. The system will provide a centralized point for all inventory in EAGLE ONE's Dispensary facilities. The following system features will be included to assist in identifying inventory discrepancies in a timely manner:

- No negative inventory values will be allowed in the system. Any transaction that would cause an inventory value to become negative will be placed on hold and will be investigated by Eagle One's Quality Assurance team.
- The system will provide audit and control reports to identify all transactions and a validation point to determine if a stock discrepancy exists. All inventory adjustments by an Eagle One employee will be logged identifying the individual that made the adjustment and the time it was done.

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5.3.2 Investigating Inventory Discrepancies

The Seed-to-Sale Inventory Control system will provide a de facto chain-of-custody tracking mechanism to identify any time medical marijuana products are added or subtracted to EAGLE ONE's inventory throughout their lifecycle.

Should any material reduction in the amount of medical marijuana products in the facilities inventory occur, the EAGLE ONE Quality Assurance team will investigate to determine where the loss has occurred. The investigation and its results will be reported to the Director of Security who will then take and document corrective action.

If a reduction in the amount of medical marijuana products in EAGLE ONE's inventory is due to suspected criminal activity by an employee, the Quality Assurance team will report the suspected employee to the Director of Security. They will take appropriate action which includes notification of the Department and law enforcement within 1 business day of the suspected loss.

Follow-up reports will be submitted concerning any significant discoveries relating to the incident. All incidents must be formally closed and signed off upon by the Director of Security.

If the discrepancy requires modification to existing standard operating procedure(s), EAGLE ONE will revise the procedure, making sure it is checked against existing procedures for anomalies, duplications, conflicts, and ensure that it adheres to current regulatory requirements. The revised SOP will be sent for review and approval by an internal review committee. Once approved, the procedure will be implemented and all affected Department Managers will be notified to train their teams on the new procedure.

An Audit Report will be written at the completion of each standard operating procedure audit which will include the disposition of the audit and summary findings. The final audit report will include: an audit checklist, all relevant supporting documentation, Corrective and Preventive Actions ("CAPAs") implemented and an executive summary and conclusion. All completed audits will be maintained as records and will be available for review by the Department upon request.

5.4 Damaged, Defective, Expired or Contaminated Products

EAGLE ONE will establish standard operating procedures for the management of medical marijuana product that is damaged, defective, expired, or contaminated. Such procedures will include specific steps for effecting recalls, market withdrawals, and returns. These procedures and mechanisms will enable the secure recovery and disposition by an EAGLE ONE Dispensary of any medical marijuana products that may pose any risk to patient or public health.

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5.4.1 Complaints and Serious Adverse Events

If an EAGLE ONE Dispensary receives a complaint or report of a serious adverse event from a patient, caregiver or practitioner that indicates the possibility of damaged, defective, expired, or contaminated medical marijuana products, it will notify the Department immediately of the complaint.

EAGLE ONE will then utilize the patient-dispensation and inventory data provided in the STS+POS to investigate the claim and identify the licensed Grower/Processor that manufactured the medical marijuana product at issue. Upon such identification, EAGLE ONE will notice the licensed Grower/Processor of the report of an adverse event or complaint and request that the grower/processor investigate the report and share all relevant findings with EAGLE ONE and the Department.

During any investigation of a reported complaint or serious adverse event, all medical marijuana products currently held in EAGLE ONE inventory which are subject to the investigation or reasonably implicated by the complaint/event will be placed in a secure, quarantined storage area. A 'Hold' will be placed on further distribution of the medical marijuana product in STS+POS system pending conclusion of the investigation. None of the product in question will be dispensed while an investigation is being conducted.

EAGLE ONE's STS+POS system will be used to identify specific product lots involved in the claim while transport manifests will be utilized to track the distribution of the specific medical marijuana product in question across EAGLE ONE's Dispensary facilities and, ultimately, to any given patient or caregiver to whom the product has been dispensed. This traceability will be made possible based upon the series of batch identifiers and barcodes as well as lot numbers associated with the product in question. These unique identifiers will allow for traceability to the qualifying patient and/or caregiver level.

5.4.2 Voluntary Recalls and Withdrawals

If a Grower/Processor imposes a voluntary recall or market withdrawal of a given medical marijuana product, the process will be conducted in collaboration with EAGLE ONE Dispensaries who will make contact with certified patients or designated caregivers that have received the product in question. A voluntary recall or market withdrawal may occur when product use or exposure is not likely to cause adverse health consequences, but has other quality control issues that recommend full information to the impacted patient or caregiver.

5.4.3 Mandatory Product Recalls

If a Grower/Processor imposes a Mandatory Product Recall due to a reasonable probability that product use or exposure may cause temporary reversible health consequences, serious adverse

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health consequences, or death, then EAGLE ONE will promptly investigate the scope of disposition and immediately contact each individual certified patient or designated caregiver that has received the product.

EAGLE ONE will immediately confirm the Recall with the Department. In addition, all medical marijuana products subject to the Mandatory Product Recall that are currently held in EAGLE ONE inventory will be placed in a secure, quarantined storage area. These products will not be disposed of or returned to the licensed Grower/Processor that manufactured them without prior approval of and coordination with the Department.

As part of its Mandatory Product Recall standard operating procedures, EAGLE ONE will assign a Recall Coordinator to facilitate all activities related to the recall with the Grower/Processor. This individual will be responsible for following defined recall procedures and coordinating:

- All internal Eagle One activities related to the Recall
- Identification and isolation of the recalled medical marijuana products in Eagle One Dispensaries
- Following defined communications protocols to:
 - Contact and inform each Eagle One Dispensary that received recalled or withdrawn product and provide a complete product list including the brand, batch number(s) and expiration dates of the medical marijuana product in question
 - Distribute information sheets provided by the Grower/Processor to inform patients and caregivers of the product recall
- Accepting the recalled medical marijuana product from patients and caregivers to return to the Grower/Processor
- Updating the Seed-to-Sale Inventory Control system to reflect receipt of recalled product including the following data:
 - The amount of recalled medical marijuana products received by the Dispensary, including types, forms, batches and lots, if applicable, by date and time
 - The total amount of recalled medical marijuana products returned to the Dispensary, including types, forms, batches and lots, if applicable
 - The name(s) of the Recall coordinators
 - From whom the recalled medical marijuana product was received
 - The reason for the Recall
 - Any other information required by the Department as specified in a written request to Eagle One or in defined regulations
- Quarantine and storage of the recalled product
- Managing the disposal return of the recalled product to the manufacturing Grower/Processor in conjunction with the support and oversight of the Department

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As part of the mandatory recall process, Eagle One's Recall Coordinator will instruct employees at all Eagle One Dispensaries to immediately cease distribution of the medical marijuana product in question and to quarantine any withdrawn or recalled product for return to Eagle One. Eagle One will instruct the Dispensary Managers to contact patients and caregivers and instruct them to cease using the product and return it to the Dispensing facility for reimbursement.

Eagle One will coordinate secure return of all recalled/withdrawn medical marijuana from patients or caregivers, to the Eagle One, and then to the licensed Grower/Processors for additional investigation and proper disposal. Prior to transporting any quarantined materials for destruction, a transport manifest with the material or product name(s), quantities, batch numbers and any other required information will be prepared accurately documenting every medical marijuana product to be included in the shipment.

5.4.4 Returns

It is Eagle One's policy to only accept medical marijuana products returned by a patient or designated caregiver at our licensed Dispensary facilities based upon a voluntary or mandatory recall. Returns will not be accepted due to issues such as customer dissatisfaction with a given medical marijuana product.

As described above, Eagle One will coordinate secure return of all recalled medical marijuana products with licensed Dispensaries.

5.4.5 Financial Reimbursement

It is Eagle One's policy to only accept medical marijuana products returned by a patient or designated caregiver at a licensed Dispensary agent's facilities. Financial reimbursement will be offered for any medical marijuana products that have been returned due to a voluntary or mandatory recall.

Eagle One will be compensated by the Grower/Processed product manufacturer for any returned medical marijuana products subject to a recall.

5.4.6 Eagle One's Return of Medical Marijuana Products to Grower/Processors

If an Eagle One Dispensary discovers that a medical marijuana product has been damaged, is defective, has expired or has become contaminated during the transfer from Grower/Processor into Eagle One's possession, it will be held in a secure quarantine area in the Dispensary facility until it can be returned to the licensed Grow/Processor that manufactured the product.

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Courtesy notifications will be sent to EAGLE ONE Dispensaries that may possess medical marijuana products that have past their expiration date or have otherwise been deemed unusable.

All products awaiting return will be updated in the Seed-to-Sale Inventory Control system to reflect this status. Once products have been returned to a licensed Grow/Processor, Inventory Control will be updated to reflect their returned status.

6 QUALITY ASSURANCE, PACKAGING, & LABELING

6.1 Product Quality Assurance and Quality Controls (“QA/QC”)

6.1.1 QA/QC Protocols

All batches of marijuana or marijuana products received by EAGLE ONE, whether received in bulk or in pre-packaged increments, will be required to have a Certificate of Analysis associated to the specific batch and registered within the seed-to-sale tracking system inventory. The Certificate of Analysis (“COA”) will include the following, the specific requirements of which are subject to change due to implementation of local rules and the MCRSA:

- (a) Cannabinoid Profiling: All batches of marijuana within Eagle One’s inventory will require quantification of THC, CBD, and CBN cannabinoids.
- (b) Chemical Residue Screening: Verification of the presence or absence of chemical pesticides and fungicides for all marijuana or marijuana products.
- (c) Biological Screening: Verification of the presence or absence of fungi, yeasts and bacteria will be required for all marijuana products.

If the marijuana product is of such type where the following information would be relevant, then the Certificate of Analysis or product label will also include:

- (d) Nutritional & Cannabinoid Labeling: All ingestible and topical products will require accurate testing and labeling that clearly identifies the product’s ingredients, cannabinoid content, and single serving use amount.
- (e) Volatile Solvent Extracted Products: the COA for any marijuana products developed utilizing any volatile solvent methodologies will verify the absence of any harmful residual solvent.

6.1.2 Generally

In addition to meeting all State and local requirements for product quality control as set forth herein, EAGLE ONE will continually revise, implement, and audit standard operating procedures

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regarding quality assurance and quality control. Such SOPs will always include the following minimal elements:

- (a) Samples of all regulated materials will be screened and tested by an independent State licensed and/ or locally permitted licensed laboratory for pesticides, mold, and other undesirable qualities
- (b) Documentation of all lab test results will be kept on file

6.2 Packaging Materials

EAGLE ONE will only package or re-sell products in individual child-resistant packaging that is in accordance with 16 C.F.R. § 1700 or the standards specified in Humboldt county and California state regulations. Depending on the product lines obtained by Eagle One, marijuana-infused products in solid or liquid form will be packaged in 4 millimeter thick (or greater) plastic with no easy-open characteristics or bottles using a metal crown cork- style bottle cap. All packaging materials will protect the contents from contamination and will not impart any toxic or deleterious substance to the product.

6.3 Packaging at Dispensary

6.3.1 Presentation to the Patient

All usable marijuana and marijuana Products will be stored behind a counter or other barrier. Product samples will be packaged in a sample jar and protected by a plastic or metal mesh screen, and will not contain more than 3 1/2 grams of usable marijuana.

6.3.2 Periodic Purchase Limits

Eagle One will audit and enforce California's limit: no more than four ounces of marijuana shall be sold to a patient during a period of fifteen consecutive days, and no more than eight ounces of marijuana shall be sold during a period of thirty consecutive days (or the equivalent weights in marijuana-containing products).

6.4 Labeling & Informational Materials

Eagle One will maintain detailed data regarding its Product, and will communicate this information through packaging labels and reference materials (such as brochures). EAGLE ONE's objective is to provide Patients with relevant and easy-to-grasp facts regarding their medicinal marijuana, so as to ensure that vital decisions are made based on meaningful information.

Written materials will use a 12-point font in standard print.

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6.4.1 Supplemental Materials

Eagle One will make available a range of supplemental materials (such as brochures), either authored by or in collaboration with the cultivation centers and processing operations, which convey important information about the provenance and characteristics of its Products. Such materials will be made available to Patients by the dispensary at the time of sale. These materials will:

- (a) disclose any pesticides applied to the marijuana plants and growing medium during production and processing;
- (b) identify the techniques and chemicals and compounds used for any form of extraction or concentration;
- (c) Assert specific warnings, as follows:
 - i. “Warning: This product may have intoxicating effects and may be habit forming. Smoking is hazardous to your health.”
 - ii. “There may be health risks associated with consumption of this product.”
 - iii. “Should not be used by women who are pregnant or breast feeding.”
 - iv. “For use only by the person named on the label of the dispensed product. Keep out of the reach of children.”
 - v. “Marijuana can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of this drug.”
 - vi. If applicable, “This product contains or is infused with marijuana or active compounds of marijuana.”
 - vii. If applicable, “Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by 2 or more hours.”

6.4.2 Labels for Wholesale Product

EAGLE ONE will receive product lots from cultivation centers or processing facilities, and will require that such materials are labeled with accurate information and attestations regarding the products, such as:

- (a) EAGLE ONE name and its medical marijuana establishment registration certificate number;
- (b) The lot number of the product;
- (c) The date of harvest;
- (d) The date of final testing;
- (e) The date on which the product was packaged;
- (f) The cannabinoid profile and potency levels and terpenoid profile as determined by the independent testing laboratory;
- (g) If the product is perishable, the expiration date; and

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(h) The quantity of marijuana contained in the product unit.
This information will be displayed in a form substantially similar to the following:

<p style="text-align: center;">JT'S NURSERY Certificate Number: 123 456 789 001 0001</p> <p style="text-align: center;">Lot Number: 1234</p> <p style="text-align: center;">Harvested on: 01/01/2013</p> <p style="text-align: center;">Final Testing Date: 01/15/2013 Packaged on: 01/17/2013 Best if used by: March 17, 2013</p> <p style="text-align: center;">16.7% THC 1.5% CBD 0.3% CBN Myrcene 5.6 mg/g Limonene 5.1 mg/g Valencene 3.5 mg/g</p> <p style="text-align: center;">Net Weight: 2 lbs.</p>

6.4.3 Labels for Dispensary Product to determine patient's dosage and comprehensive testing analysis of product.

Eagle One will prepare and affix labels for each retail-unit product, which will display the following:

- (a) The cultivation center or processor business or trade name and registration certificate number;
- (b) The lot number—or, if multiple lots were used to create the specific item, the complete list of lots comprising the product,
- (c) The date and quantity dispensed, including the net weight measured in ounces and grams or by volume, as appropriate.
- (d) The name and registry identification card number of the patient and, if applicable, the name of his or her designated primary caregiver.
- (e) The name and address of the medical marijuana dispensary.
- (f) The cannabinoid profile and potency levels and terpenoid profile.
- (g) A warning that states: "This product may have intoxicating effects and may be habit forming."
- (h) The statement: "This product may be unlawful outside of the State of California."

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- (i) The date on which the marijuana was harvested, or, if applicable, the date on which the Product was manufactured.

Additionally, for infused or edible products:

- (j) If the product is perishable, a recommended “use by” date,
- (k) The total milligrams of active cannabinoids and terpenoids in the product, as provided by the independent testing laboratory that tested the product.
- (l) A list of all ingredients, including nuts and all major food allergens as identified in 21 U.S.C. §§ 343.
- (m) A warning that states: “Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by 2 or more hours.”
- (n) If a marijuana extract was added to the product, a disclosure of the type of extraction process and any solvent, gas or other chemical used in the extraction process, or any other compound added to the extract.

The label will appear in a form substantially similar to:

Joe’s Plant Emporium	Cert.#: 123 456 789 001 0001
Lot#: 1234	Harvested: 01/01/2013
Dispensed to: John J. Smith #1234987 on 11/27/2013	
by	
We Care Dispensary	
123 Main Street, Carson City, NV 89701	
WARNING:	
This product may have intoxicating effects and may be habit forming.	
16.7% THC 1.5% CBD 0.3% CBN	
Myrcene 5.6 mg/g Limonene 5.1 mg/g Valencene 3.5 mg/g	
Net Weight: .25 ounces (7 grams)	
<u>This product may be unlawful outside the State of Nevada.</u>	

6.5 Quality Assurance Review of Packaged Materials

EAGLE ONE will regularly review products in inventory in storage and at the point of sale to a purchaser or Patient in order to:

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- (a) Examine packaged and labeled products during finishing operations to provide assurance that the containers and packages have the correct labels;
- (b) ensure that the samples are visually examined for correct labeling; and
- (c) Record the results of the examinations performed in the applicable production or control records.

7 TRANSPORTATION

7.1 General Transportation Principles

All medical marijuana deliveries will be received at the facility from a State licensed and/ or locally permitted licensed transport Eagle One; and all Medical Marijuana-Infused Products will be transported to State licensed and/ or locally permitted licensed Wholesale/Distribution companies by a State licensed and/ or locally permitted licensed transport Eagle One.

Transportation Manifests will be used to track movement of all marijuana and marijuana products outside of the dispensary, including the shipping and receiving agent, quantities of product, make/model of vehicle, departure time, and estimated arrival time. Alerts may be established to provide information to management on late shipments.

All Applicant vehicles will be outfitted with Global Positioning System ("GPS") transmitters. The transportation plans and GPS travel logs of appropriate Applicant agents and the logistics of Applicant's delivery schema will be periodically reviewed to ensure compliance with this transportation restriction.

The SOPs for receiving shipments, confirming accuracy or reporting discrepancies, and processing items into inventory provide detail and checklists for the following protocols:

- On the day prior to delivery, Applicant will receive, by a direct and secure licensee-to- licensee transmission, a manifest from the shipping Licensee indicating the next day's delivery.
- When the transporting agent carrying the delivery is approximately ten (10) minutes from arrival, the shipping licensee will notify Applicant's staff and Security team.
- The delivery vehicle will be directed to a secured parking area
- Applicant agent will access the electronic manifest in Applicant's enterprise resource planning ("ERP") system;
- Applicant agent will confirm the identity of the transportation agent and match this ID against the ERP system;
- Transportation agent will provide a copy of the electronic manifest for the shipment;
- Receiving agent will review the shipment to ensure that

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- packaging is secure, undamaged, and appropriately labeled;
- packages are labeled as described in the electronic manifest; and
- contents match those described in the electronic manifest;
- Receiving agent will record in the manifest record in the ERP:
 - their confirmations of shipment review;
 - the signature and ID number of the transportation agent;
 - the date and time of change of custody for the shipment;
- Applicant agents will then:
 - Enter products into the ERP inventory management system;
 - Segregate received items from general inventory pending further inspection.

Any discrepancy in the shipment will be:

- recorded in the manifest record within the ERP
- investigated and reported via an Incident Report Form;
- reported to the shipping party, within 1 business day, in order to finalize the post-delivery affirmations; and
- escalated to Applicant's Chief Compliance Officer and potentially reported to the Commission in accordance with

Applicant will record in its enterprise resource planning ("ERP") system the following data relating to shipment-receiving:

- Shipping licensee name and address;
 - Shipping licensee's shipment identification number;
 - Shipping licensee package-preparer agent name;
 - Receiving licensee name and address;
 - Weight and description of each individual package;
 - Total number of individual packages; and
 - Any handling or storage instructions.
1. *The shipping Licensee's transporting agent will be greeted upon arrival and instructed by Applicant's Security personnel to park the delivery vehicle in a secured area. Applicant will (a) request verifying identification from the transporting agent, (b) create a digital record of the agent's state issued identification and marijuana transport agent licensing information, (c) input this digital record into Applicant's enterprise resource planning ("ERP") and state-reporting system.*
 2. *After verification and recordation of the transporting agent ID, the Dispensary Manager and the transportation agent will move into the secured staging area. In this secured area, the Dispensary Manager will conduct all required inspections of packaging to ensure that it is*

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secure, undamaged, and appropriately labeled. The tamper evident shipping tape will also be inspected. This inspection event will be logged on to the intake checklist.

3. *The receiving Dispensary Manager will assess the shipment to confirm that it is labeled as described in the electronic manifest, including:*

- *Date/time that the package was sealed;*
- *Name and signature of the preparing/sealing registered agent;*
- *Shipping licensee name and address;*
- *Shipment identification number;*
- *A description of each item; and*
- *Applicant's name and address as receiving licensee.*

After all packages within a shipment have been inspected and deemed (a) compliant and (b) matching to all details of the manifest, then final weights and counts will be taken to ensure the shipment contains everything as described on the electronic manifest.

When transportation of medical marijuana is required, Applicant will only use registered dispensary agents (a) who are licensed as a motor vehicle operator by the State of [STATE] and (b) whose driving records are clean. Applicant will record all details associated with the delivery, including the transportation agent's name, driver license number, and make/model and license plate number of the transporting vehicle in its enterprise resource planning ("ERP") system. Any vehicle to be used for transportation of marijuana will be outfitted with Global Positioning System ("GPS") transmitters, and departure and expected arrival times will be tracked. The transportation plans and GPS travel logs of appropriate Applicant agents and the logistics of Applicant's delivery schema will be periodically reviewed to ensure compliance with this transportation restriction.

7.1.1 Transport Notices

Any movement of Product will be accompanied by the required notification into the software traceability system. The transporter will enter into the ERP system:

- (a) the type and amount of product being transported,
- (b) the name of the transporter, and
- (c) the time of departure and expected delivery.

The receiver of Product will enter the amount of product being received.

7.1.2 Who May Transport

All EAGLE ONE drivers are instructed that, with respect to operating a Eagle One or personally owned vehicle for EAGLE ONE business and/or activities, they must:

- (a) Comply with all State, local, and traffic laws at all times.

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- (b) Maintain a current, valid driver's license—and the affirmative obligation to notify EAGLE ONE of any moving violation, or other violations of motor vehicle law which may affect their driver's license, insurability, or restriction or suspension of their driver's license.
- (c) Ensure that the driver, and any passengers riding in any vehicle, wears seat belts/shoulder harnesses, even if air bags are available.
- (d) Never operate any EAGLE ONE vehicle or any personal vehicle driving on EAGLE ONE business while impaired, including:
 - i. under the influence of intoxicants, or .
 - ii. by illness, fatigue, injury, prescription medication.
- (e) Never text-message or conduct non-hands-free phone conversations while driving.
- (f) Never allow unauthorized persons to ride in Eagle One vehicles.
- (g) Maintain proper security for Eagle One vehicle and its contents. The vehicle engine must be shut off, ignition keys removed, and vehicle doors locked whenever the vehicle is left unattended. This is especially important with radio remote broadcast vehicles - these vehicles are highly visible, perceived as targets by thieves, and contain valuable, portable equipment. Be aware of remote broadcast vehicle heights and clearances.
- (h) Promptly report mechanical difficulties or repair needs to management.
- (i) Record remote broadcast vehicle check-out and check-in information on proper forms as specified Eagle One.
- (j) Always stow all loose items and equipment before moving the vehicle.
- (k) Use headlights 2 hours before sunset and until 2 hours after sunrise, or during inclement weather or at anytime when a distance of five hundred (500) feet ahead of the vehicle cannot be clearly seen.

7.1.3 Transport Routes Must Be Direct

EAGLE ONE vehicles transporting marijuana will go directly from Eagle One to the receiving licensee and will not make any unnecessary stops in between, except to other facilities receiving product.

7.1.4 EAGLE ONE's Broad Commitment to Compliance

Any EAGLE ONE driver, including volunteers or contracted service providers, who becomes aware of a situation in which he or she believes Eagle One's legal or ethical responsibilities are being violated by another designated driver and/or purchaser licensee, or feels pressured to violate the law or Eagle One's ethical responsibilities regarding the same, is required to notify Eagle One of that concern.

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7.2 Packaging & Labeling for Transportation

The Product will be stored in the vehicle in a locked, safe, and secure storage compartment that is secured to the inside body/compartment of the vehicle transporting the Product.

Product is transported in sealed packages, compliant with NRS and NAC. Such sealed packages or containers will not, under any circumstances, be opened during their transport.

Any and all Product to be delivered to licensed producers and/or dispensaries will be accompanied by a current and accurate Transportation Manifest, which will record:

- (a) the type and amount of product being transported,
- (b) the name of the transporter, and
- (c) the time of departure and expected delivery

7.3 Transport Tracking & Record Keeping

7.3.1 Transport - Delivery

Before transporting any Product, Eagle One will enter into its ERP transaction system:

- (a) the type of marijuana;
- (b) the amount of marijuana and/or weight of the Products being transported;
- (c) the name of the transporter/designated driver;
- (d) times of departure; and
- (e) expected delivery dates and times.

7.3.2 Receipt

EAGLE ONE will employ best efforts to ensure that the receiver enters into the traceability system the amount of product being received and the date and time of the receipt.

7.3.3 Record Keeping

EAGLE ONE will keep, securely and accessible at Eagle One premises, all transportation-related records for a minimum of three (3) years. This includes:

- (a) transportation manifests,
- (b) order placements,
- (c) delivery receipts,
- (d) and notifications.

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7.4 Transportation Security

EAGLE ONE's dedication to the highest level of security, public safety, and smooth operation of [STATE]'s medical marijuana system may recommend reliance on contract security escorts for product shipments.

EAGLE ONE's complete protocol for Security, including Transportation Security issues, can be found in EAGLE ONE document titled "ADVANCED PROPAGATION SECURITY GUIDELINES AND POLICIES."

7.5 Event Reporting Requirements

Any vehicle accident that occurs during Product transportation must be reported (by any EAGLE ONE employee, volunteer, or contracted service provider with knowledge of such) to the proper EAGLE ONE designee within 2 hours after the accident occurs.

Any loss or theft of Product or EAGLE ONE finances must be reported (by any EAGLE ONE employee, volunteer, or contracted service provider with knowledge of such) to the proper EAGLE ONE designee *immediately* after the individual becomes aware of the loss or theft.

The EAGLE ONE will immediately report the loss or theft to the appropriate law enforcement agency and to the Division.

8 BUILDING OVERVIEW

8.1 Private Property & Availability to Authorities

EAGLE ONE welcomes any inspection of the Medical Marijuana Center by the local fire department, building inspector, or code enforcement officer to confirm that no health or safety concerns are present. It is understood that the inspections may result in additional specific standards to meet local jurisdiction restrictions related to Medical Marijuana. An annual fire safety inspection may result in the required installation of fire suppression devices, or other means necessary for adequate fire safety.

8.2 Hours of Operation

Hours of operation will typically be from 7 AM to 7 PM; however, during periods of seasonally high workload, the hours of operations within the facility may increase to 24 hours per day. During such extend hours of operations, shipping, receiving, and any other traffic or noise generating activities will be limited to normal working hours.

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8.3 Map

Please see attached architectural packet.

8.4 Floor Plan

Please see attached architectural packet.

8.5 Structures & Land Uses Within a 600-foot Radius

Please see attached architectural packet. *Pursuant to CMMLUO 55.4.11 d.*

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9 HEALTH, SAFETY, & SANITATION

9.1 Employee Health, Safety, & Sanitation Protocols

9.1.1 Regular Team Communications & Meetings

EAGLE ONE will communicate with Dispensary employees regarding safety and health issues on at least a quarterly basis or as needed. Dispensary agent awareness of potential health and safety hazards is critical to maintaining a safe work environment. Knowledge of how to control such hazards will aid in the prevention of injuries, illnesses and accidents in the workplace, and quality and cleanliness of the products. Safety issues will be included in regular safety meetings conducted by dispensary management on a periodic basis. During these meetings, management will discuss with Eagle One employee's issues including:

- Causes of recent accidents or injuries and the methods chosen to prevent similar incidents in the future.
- Any health or safety issues considered by the manager to require reinforcement.
- Any concerns, observations and suggestions by employees regarding workplace health or safety.

9.1.2 Indications of Health or Safety Issues

Eagle One will institute standard operating procedures which require that any person who, by medical examination or supervisory observation, is shown to have, or appears to have, an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination for whom there is a reasonable possibility of contact with preparation surfaces for medical marijuana products shall be excluded from any operations which may be expected to result in such contamination until the condition is corrected.

The Eagle One Dispensary management team will monitor the health of all employees. In the event the Dispensary Manager believes an employee responsible for the handling of medical marijuana products is ill, they will terminate the employee's shift immediately. If upon return to work, Eagle One still suspects the employee is ill, he or she will require the employee to obtain a physician's release to return to work in the facility.

An Eagle One dispensary agent is required to report to a supervisor any personal health condition that might compromise the cleanliness or quality of the medical marijuana the dispensary agent might handle including an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination. Employees that display any of the symptoms noted above will be instructed to self-report to their direct manager all such health conditions to prevent any adverse effect on a product or patient.

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Employees who observe any of the symptoms noted above related to co-workers will be instructed to report their observations to the Quality Assurance team for follow up with the employee in question.

All reports are to be immediately communicated to the on-duty dispensary manager. If it is determined that an Eagle One agent has a health condition that may adversely affect the safety or quality of the marijuana products at our dispensary, that agent will be prohibited from having direct contact with any marijuana or equipment until the manager determines that the health condition of the agent will not adversely affect the cleanliness or quality of any products.

Sufficient and accessible infection control supplies (e.g. hand-hygiene products, tissues and receptacles for disposal) are provided in all facility areas. Surface cleaning practices in common areas will be increased as necessary.

9.1.3 Training in Sanitation & Safety

Eagle One will provide training to each employee regarding general safety procedures and hazards or safety procedures specific to that employee's work assignment. Training occurs upon hire, as well as whenever Eagle One is made aware of a new or previously unrecognized hazard, or any Eagle One Management Team leader believes that additional training is necessary.

9.1.4 Employee Sanitation SOPs

Any EAGLE ONE employees working in direct contact with medical marijuana shall comply with the restrictions on food handlers specified in *California State*. Eagle One employees shall conform to standard sanitary practices while on duty as outlined below.

The following standard sanitation protocols will be followed and implemented in Eagle One's Dispensary facilities. These written procedures, schedules and logbooks will include:

- Assignment of responsibility for cleaning equipment and specific areas of the facility
- Protection of clean equipment from contamination prior to use
- Inspection of equipment for cleanliness immediately before use
- The use of chemicals that fall under relevant Material Safety and Data Sheets ("MSDS", now commonly referred to as Safety Data Sheets, "SDS") regulations based on the recommendations and requirements for handling and use contained with the chemical's respective MSDS/SDS.
- Instructions for employee safety and cleaning including the following:
 - All employees shall wash hands before starting work and any other time when their hands may have become soiled or contaminated prior to dispensing medical marijuana products to a patient or caregiver.

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- All employees shall remove all unsecured jewelry, hand jewelry and other objects that might fall into products that are manipulated by hand. If hand jewelry cannot be removed, it must be covered by material that is maintained in an intact, clean, and sanitary condition and that effectively protects products against contamination.
- Personal belongings will not be allowed in areas where medical marijuana products are present. All personal belongings should be stored in the employee locker room.
- There will be no eating food, chewing gum, drinking beverages, or using tobacco products in areas where medical marijuana products are stored or dispensed.

9.1.5 Employee Clothing

EAGLE ONE requires that employees engaged in the Dispensing of medical marijuana products wear clean clothing or an issued uniform appropriate for the duties they perform. Employees will be trained and required to practice good sanitation and health habits.

9.1.6 Hand-washing and Lavatories

All personnel shall practice good sanitation and health habits. Employees must maintain adequate personal cleanliness standards and must wash their hands thoroughly in an adequate hand-washing area before starting work and at any other time when hands may have become soiled or contaminated.

Hand-washing facilities with running water at an appropriate temperature will be in the Dispensary facility where good sanitary practices require employees to wash and sanitize their hands. Effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices will be provided.

Lavatories will be installed in Eagle Ones Dispensary facilities and will be sanitized and maintained daily. Lavatories will be made available for both employee and visitor use with the latter being in a non-limited access area.

9.2 Prevention of Contamination of Medical Marijuana Products

Eagle One will establish a multi-faceted approach to prevent contamination in its medical marijuana products. Standard operating procedures designed to maximize safety for employees and minimize potential contamination will be utilized within its Dispensary facilities. Employees will be properly trained on quality control measures and protocols including:

- Visual inspection of all items produced for any contaminants and foreign objects (plant material, hair, debris, etc.)
- Following all sanitary measures and procedures

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- Ensuring that all persons working in direct contact with medical marijuana products shall conform to documented personal hygiene practices while on duty.

All operations in the receiving, inspecting, transporting, segregating, storing and dispensing of medical marijuana products shall be conducted in accordance with EAGLE ONE authored and regularly audited sanitation protocols.

Eagle One will ensure that any permissible preparation or re-packaging of medical marijuana products is conducted in a secure space specifically designed for preparation and packaging located within the secure operations zone. The designated area will include a workspace that can be sanitized and is only for the preparation or repackaging of medical marijuana. As part of orientation, training for all staff members will include strict instructions that the designated area is for preparation and re-packaging of medical marijuana only. As a reminder, we will post signs at the entrance and in the designated areas stating: "This area is used exclusively for the preparation and re-packaging of medical marijuana." We have special protocols for cleaning and sanitation in these areas, including employee hand washing and hygiene.

Preparation of waste shall be segregated within the processing center to prevent any cross-contamination with any product processing areas. Waste will be properly removed and the standard operating procedures for waste disposal will be maintained in an adequate manner so that they do not constitute a source of contamination in areas where medical marijuana products are exposed.

9.3 Facility Sanitation Resources & Design

9.3.1 Generally

Eagle one will ensure that its Dispensary facilities are continuously in proper working condition and that they are maintained on a regular basis. This includes all floors, walls, and ceilings in Dispensary facilities. Proper and routine maintenance will provide a basis for employee safety and efficiency and will reduce any potential contamination that might otherwise occur.

All Eagle One facilities will have a water supply sufficient for their operations. This supply will be derived from a public water system capable of providing a safe, potable and adequate supply of water to meet the operational needs of our employees and the overall facility.

9.3.2 Storage of Chemicals

Eagle One does not currently intend to handle any hazardous materials in amounts requiring a Hazardous Material Business Plan ("HMBP").

If EAGLE ONE operations do involve the handling of any non-exempt hazardous materials, it will register its hazardous materials with the local agency using the Hazardous Materials/Waste

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Registration Form, in order that any relevant agency could evaluate the storage or use and give notice of any permits or fees that apply.

Toxic cleaning compounds, sanitizing employees, solvents used in the sanitation of EAGLE ONE's Dispensary facilities shall be labeled and stored in a manner that prevents contamination of medical marijuana products, and in a manner, that otherwise complies with other applicable laws and regulations.

Separate, dedicated areas will be defined for the storage of cleaning supplies, sanitizing employees and solvents used in EAGLE ONE's Dispensary facilities.

9.3.3 Waste Mitigation and Management Areas

A compactor and a dedicated waste dumpster will be used for sanitation and waste mitigation purposes in EAGLE ONE's facility. One set of doors to the waste mitigation room will be located within the interior of the room, and the other set of doors penetrate through an exterior wall of the building and can be accessed from the outside from within a dedicated security fenced area with both the compactor and the dumpster.

While the default controlled waste management protocol is to mix green waste (any medical marijuana plant material) with inert material in a 50:50 ratio; Eagle One may also review potential methods for composting green waste in the future.

This area will be cooled and heated via an independently controlled HVAC system independent of the other spaces in the facility. Standard environmental conditions for an office occupancy are achieved with a system with dedicated supply/exhaust. Additional filters are used on all exhaust air.

9.3.4 Quarantine Area

Eagle One will establish processes and a secure quarantine area for separating non-conforming medical marijuana and medical marijuana products that require disposal/destruction.

Any individual batch or batches of medical marijuana products held under quarantine will not be transported, distributed or dispensed by the Eagle One unless approval is obtained from the Department.

Once directed by the Department, any such products will be properly destroyed within 24 hours of receipt of notice in accordance with EAGLE ONE's standard operating procedures relative to controlled waste management. In some cases, such as mandatory recalls, the Department may observe the destruction of medical marijuana products.

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9.4 Facility Protocols

9.4.1 Facility Sanitation SOPs

Eagle One will implement standard operating procedures relative to the cleaning of all surfaces, equipment, floors, walls, ceilings, tables, and the overall facility. Each standard operating procedure will utilize sanitation protocols appropriate to the area/equipment being cleaned. Eagle One will use sanitizing solutions in accordance with the instructions printed on the label.

Eagle One will adhere to the following operational standards and best practices to ensure cleanliness of any building or equipment used to store or display medical marijuana:

- Buildings or equipment used for the storage or sale of medical marijuana will be maintained in a clean and sanitary condition.
- All contact surfaces, including utensils and equipment, will be maintained in a clean and sanitary condition. Such surfaces will be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the U.S. Environmental Protection Agency (EPA), in accordance with labeled instructions. Equipment and utensils will be so designed and of such material and workmanship as to be adequately cleanable.
- All counter tops must be wiped regularly to prevent the spread of germs and to remove dust and debris.
- Public areas will be swept and dusted at least once a day
- Food and drinks will be prohibited within the public zone; only dispensary agents using the designated break room will be permitted to consume food and beverages.
- There will be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations.
- Litter and waste will be promptly removed, disposed of to minimize the development of odor and to minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal will be maintained in an adequate manner pursuant to the regulations.
- Floors, walls, and ceilings will be constructed in such a manner that they may be adequately kept clean and in good repair.
- There will be adequate safety lighting in all processing and storage areas, as well as areas where equipment/utensils are cleaned.

9.4.2 Facilities Cleaning Logs

Room and equipment maintenance logs will be posted in each room of the Dispensary facility. These logs will be updated daily with each scheduled cleaning and maintenance action being logged by an Eagle One employee.

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9.4.3 Litter and Waste Removal

EAGLE ONE will employ standard operating procedures for controlled waste management for its facilities. All litter and waste generated from normal facility operations will have a defined path for disposal.

Litter and waste will be properly disposed of and the systems for waste disposal will be maintained in good working condition to prevent the litter and waste from becoming a source of contamination in areas in which medical marijuana products are stored or exposed

9.4.4 Hazardous Materials

Hazardous waste is defined as any substance no longer in use that has chemical and/or biological properties that may harm or endanger employees, material, or the environment if handled improperly. There are a variety of safety provisions that regulate the management, storage, and disposal of hazardous waste. Eagle One will fully comply with stated regulations to ensure the safety and health of our employees, clients, and customers.

9.4.4.1 Hazardous Materials Handling

If EAGLE ONE begins to handle any individual hazardous material or mixture containing a hazardous material which has a quantity (at any time during the reporting year) equal to or greater than those listed below, EAGLE ONE will complete a Hazardous Material Business Plan (HMBP) and submit a copy to the local agency (currently understood to be the Humboldt County DHHS Division of Environmental Health):

1. *500 pounds for solid hazardous materials. [H&SC §25503.5(a)]*
2. *The following amounts for liquid hazardous materials:*
 - a. *Lubricating oil as defined by H&SC §25503.5(b)(2)(B): 55 gallons of any type or 275 gallons aggregate quantity on site. H&SC §25503.5(b)(2) (A)]*
 - b. *All others, including waste oil: 55 gallons. [H&SC §25503.5(a)]*
3. *The following amounts of hazardous material gases:*
 - a. *Oxygen, Nitrogen, or Nitrous Oxide stored/handled at a physician, dentist, podiatrist, veterinarian, or pharmacist's place of business: 1,000 cubic feet of each material on site. [H&SC §25503.5(b)(1)]*
 - b. *All others: 200 cubic feet. [H&SC §25503.5(a)]*
4. *Amounts of radioactive materials requiring an emergency plan under Parts 30, 40, or 70 of Title 10 Code of Federal Regulations or equal to or greater than applicable amounts specified in items 1, 2, or 3, above, whichever amount is smaller. [H&SC §25503.5(a)]*
5. *Applicable federal threshold planning quantities for extremely hazardous substances listed in 40 CFR Part 355, Appendix A.*

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9.4.4.2 Hazardous Waste Materials Disposal

EAGLE ONE will not to use plumbing systems to dispose of hazardous waste, regardless of whether they are "chemically resistant". Each department that utilizes hazardous chemicals will be equipped with appropriate disposal containers, labeled for each type of waste.

Different types of chemical waste must be segregated to avoid unnecessary mixing. Regular trash containers are not to be used to dispose of such waste. These containers will be stored in a segregated area within the waste mitigation room in the facility.

Disposal of any chemical, dangerous, or hazardous waste will be conducted in a manner consistent with federal, state and local laws, regulations, rules or other requirements. This may include, but is not limited to, the disposal of all solvents or other chemicals used in the production of Medical Marijuana Concentrate or any Medical Marijuana soaked in a Flammable Solvent for purposes of producing a Medical Marijuana Concentrate.

EAGLE ONE will contract with a local waste management Eagle One to dispose of any hazardous materials or waste produced from its operations.

9.4.5 Solid Waste Disposal

EAGLE ONE has identified all points where waste may be generated in its Grow and Processing operations as part of its initial design activities. EAGLE ONE's facilities have been designed to accommodate for the following types of waste anticipated to be generated from its operations:

- Unusable raw materials and inputs
- Green Waste that may arise during operations
- Recycling - packaging, cardboard, plastic, etc.
- Medical marijuana and medical marijuana products subject to voluntary or mandatory recalls
- Medical marijuana product returns
- Damaged, adulterated or mislabeled medical marijuana products
- Medical marijuana and medical marijuana products that have failed testing
- Medical marijuana processing byproducts
- Medical marijuana and medical marijuana product samples that have expired
- Trash

Appropriate containers such as 55 gallon NSF drums, green waste containers, recycling bins and generic trash receptacles will be placed in each room of the building dedicated to the cultivation and processing of medical marijuana and medical marijuana products.

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9.5 marijuana Records of destroyed product

Records of destroyed raw materials and product will be kept and cross-referenced by batch number and SKU. The weight or volume, as appropriate, will be recorded along with the method of disposal. The methodology for recording destroyed Medical Marijuana and Medical Marijuana-Infused Product may be subject to requirements imposed by the State Licensing Authority and will be adjusted accordingly as required.

10 OPERATIONAL SECURITY

10.1 County's Access to Facility

Eagle One will ensure that the Humboldt County Sherriff's Department is given unfettered access, 24-hours per day, seven days per week, to the facility's security surveillance video, the specific details of which are provided in a Section below.

Eagle One personnel will cooperate fully with all conditions in the Use Permit and Use Permit Application requiring that the County, its agents, and employees, be granted access to the facility to seek verification of the information contained within the conditional use permit, permit applications, the Operations Manual, and the Operating Standards at any time before or after the conditional use permit is issued.

10.2 Access Controls

All entrances to the occupied building space of the facility will be restricted by an access control system capable of identifying authorized personnel. The system will also be capable of limiting personnel access to the appropriate locations within the facility depending on the person's job and responsibilities, and also limit facility access to certain times and days as appropriate. 24 hour access to the facility by emergency responders (Fire Dept.) will be provided via a Knox Box.

10.3 Lighting

Indoor and outdoor lighting will be controlled by photocell switching, timers, infrared motion sensors and/ or other state-of-the-art control systems to maintain an adequate light level at the interior and exterior of the facilities to ensure that personnel and the video surveillance system can effectively monitor the space in and around the facility at all times. Exterior lighting will be directed so as to not pose a nuisance to neighboring properties.

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10.4 Alarm Systems

A security /burglar alarm system will be installed and operated at all appropriate times within the facility. This system will be monitored by a third-party remote central control station which will have the responsibility for automatically providing notification to law enforcement of any breach in the facility's security system.

Communications between the facilities alarm system and the central control station will be uninterruptible by power outage and/ or disability of the telephone system. Communications will be powered by an uninterruptible power supply, and transmission will either be by cellular or radio.

10.5 Video Surveillance

[INSERT AVAILABLE INFORMATION]

10.5.1 Equipment

10.5.2 Coverage

10.5.3 Storage of Recordings

10.5.4 Security Reporting

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11 CONSERVATION & IMPACT PRINCIPLES

11.1 Measures Taken to Minimize Carbon Footprint

Our belief is that everyone has a serious responsibility to reduce their individual carbon footprint. We will do our part by doing the following:

11.1.1 Switch It Off

Turn off the lights when natural light is sufficient and when we leave the room. It's that simple!

11.1.2 Climate Control

Climate Control: Keep our temperature system on a moderate setting while we're in the room.

11.1.3 Wasteful Windows

Wasteful Windows: Use our windows wisely! If our climate control system is on, shut them. If we need a little fresh air, turn off the heat or AC.

11.1.4 Minimize Plug Load

Cut down the number of appliances we are running and we will save big on energy. For example, minimize the number of printers in our office.

11.1.5 Phantom Power

Use power strips to easily unplug electronics when not in use.

11.1.6 Give It a Rest

Power our computers down when we're away. A computer turned off uses at least 65% less energy than a computer left on or idle on a screen saver.

11.1.7 Switch to CFLs

Compact fluorescent light bulbs (CFLs) use 75% less energy than incandescent and last up to 10 times longer.

12 RECORD KEEPING, TAX AND REPORTING REQUIREMENTS

EAGLE ONE maintains records sufficient to clearly reflect all financial transactions and the financial condition of the business. The business records that EAGLE ONE maintains reflect:

- (a) Purchase invoices and supporting documents, to include the items and/or services purchased, from whom the items were purchased, and the date of purchase;
- (b) Bank statements and canceled checks for any accounts relating to the licensed business;

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- (c) Accounting and tax records related to the licensed business and each true party of interest, each in alignment with Generally Accepted Accounting Principles (GAAP) as applied by a licensed Certified Public Accountant;
- (d) Records of all financial transactions related to the licensed business, including contracts and/or agreements for services performed or received that relate to the licensed business;
- (e) All employee records, to include training;
- (f) Transportation records;
- (g) Inventory records;
- (h) All samples sent to an independent testing lab and the quality assurance test results;
- (i) Records of any theft of marijuana or marijuana products.

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BRAVO ZULU LLC

DISTRIBUTION OPERATIONS PLAN

May 2017

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OPERATIONS MANUAL – BRAVO ZULU LLC DISTRIBUTION

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1 OVERVIEW

1.1 Objective of This Document

The Bravo Zulu Distribution Operations Manual has several objectives:

- (a) to help guide Bravo Zulu advisors, team management, and team members in developing and sustaining productive and successful business practices;
- (b) to document Bravo Zulu distribution operations procedures and policies as they relate to Bravo Zulu functions;
- (c) to provide current Bravo Zulu distribution operations policies for financial management and team-management procedures; and
- (d) to serve as a reference for questions and problems as they arise in the day-to-day operations of Bravo Zulu distribution team.

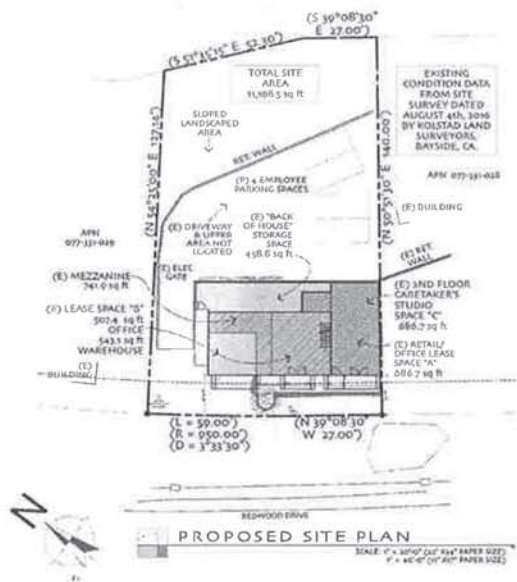
1.2 Nature of Bravo Zulu LLC

These same commitments will drive Bravo Zulu's approach to the production and delivery of medicine to qualified license holders in California's medical marijuana program. Bravo Zulu's enterprise philosophy and operations platform has been built upon the background expertise of Bravo Zulu principals and then adapted to align with evolving medical marijuana industry standards, such as the Patient Focused Certification (PFC) set forth by the Americans for Safe Access (ASA) organization.

1.3 Bravo Zulu Distribution Locations

1.3.1 General Overview

The Bravo Zulu 3525 Redwood Drive, Redway, CA 95560 Suite D



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2 STAFF TRAINING & EDUCATION

2.1 Staffing Principles

Bravo Zulu's commitment to professionalism and patient-care is embodied in its collection of hyper-qualified professionals, its comprehensive compilation of industry best practices, institutional knowledge, and its structured programs for training its staff in the science and use of medical marijuana. Bravo Zulu will demand uncompromising excellence from its staff and will provide for on-going education regarding the entire scope of medical marijuana issues. In so doing, Bravo Zulu will ensure the conscientious delivery of medicine and the safety of patients.

From the initial stages of candidate vetting, through hiring and on-going education, Bravo Zulu is focused on establishing the right employees in the right jobs and ensuring that those employees are entirely current and compliant with age requirements, character/background required by statute, and the best-practices prevailing in this industry.

All Bravo Zulu staff must obtain and maintain approval by DOH to act as medical marijuana distribution employee, including irrevocable (during time of employment) consent to have background checks run to determine their qualification for employment.

Bravo Zulu's hiring processes will include multiple interviews, background checks, and training. Bravo Zulu requires background checks on all candidates for employment. To the extent permissible by California State and Federal employment law, Bravo Zulu will not hire persons with criminal histories, or background check results inconsistent with Bravo Zulu's mission to operate a legal and socially responsible enterprise. Training for all employees includes education on local, state, and federal laws regarding medical marijuana.

3 MARIJUANA DISTRIBUTION DAILY OPERATIONS

3.1 Staff Hygiene

All Bravo Zulu employees understand the importance of hygiene for the safety and integrity of the product and of Patient's health. Every employee agrees to:

- (a) Clean his or her hands and exposed portions of his or her arms in a hand-washing sink:
 - i. Before preparing marijuana products or marijuana-infused products, including, without limitation, working with ingredients, equipment or utensils;
 - ii. After handling soiled equipment or utensils;
 - iii. After touching bare human body parts other than his or her clean hands and exposed portions of arms; and
 - iv. After using the toilet facilities.
- (b) Wear clean clothing appropriate to the tasks assigned to him or her.

If any Bravo Zulu employee has any health condition that they reasonably believe may adversely affect the safety or quality of Bravo Zulu Products, that employee is prohibited from

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having direct contact with any Products or product-related equipment until a designated Bravo Zulu authority determines that the health condition of the employee will not adversely affect the Product.

More broadly, the hygiene obligations set forth in Sections 80 to 101 of the adopter regulations, and their parallel presentation in both the NRS and NAC, will be converted into a clearly defined hygiene regime and effective training program. Any Bravo Zulu staff who are involved in the handling of medical-grade marijuana or marijuana-related Product will be required, with recurrent regularity, to complete such training and affirm their hygiene practices. Bravo Zulu is unalloyed in its commitment to Product safety and conscientious care for Patient health.

3.2 Operational Workflow

3.2.1 General Procedures

[INSERT RELEVANT CROSS-REFERENCES FROM OTHER OPERATIONAL MATERIALS]

3.2.2 Opening checklist

- Lock the door behind you as you enter the building.
- Unarm the security system.
- Turn on the lights in the facility.
- Store your personal belongings in your locker.
- Put on your badge.
- Clock in for your shift.
- Open product vault and begin stocking the shelves for the day.
- All Cash Handlers need to log in and prepare your cash drawer for your shift.
 - Open the safe and take the appropriate bank bag out. Make sure the safe is securely closed once you remove your bag.
 - Count your bank bag to ensure that your starting cash is exact.
 - Make sure to enter your exact starting cash into Green Bits. For example, if your bank bag only has \$195 in it, then you enter \$195.
- Turn on the music.
- Do a sweep of the store to make sure that the space looks tidy.
- Do a sweep to make sure that your inventory is sufficiently stocked and the area is tidy.
- **MANAGEMENT/LEAD EMPLOYEES** should ensure that the security has arrived and is ready to begin their shift.
 - Ensure that the staff is sufficiently prepared for their shift, and logged into their computer terminal.
 - Facilitate a short team huddle to brief the staff on daily goals and any pertinent business matters.
 - Check phone messages.

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3.2.3 Closing checklist

- Lock the doors.
- Begin loading the back stock of inventory onto the carts to bring to the product vault.
- All Bud Tenders/Cash Handlers need to count down and reconcile their cash at the end of the business day
 - Take your starting cash total (?) and the 'Net Cash' amount listed for your shift. The amount in the cash drawer needs to add up to the sum total of these two figures. It helps to have paper available to write the totals out for the cash and change as you tally it up.
 - Start with the largest bills first. Count them out and lay them on the counter, all facing the same way. Write down the amount. Count down the hundreds, fifties, twenties, tens, fives and ones and lay them out in piles according to denomination. Write down the total for each of these denominations in a separate row on your piece of paper. Once again, make sure that all of the bills are facing the same way. Count down the change. Keep the change in its own compartment to better keep track of it. Write down the totals as you go.
 - Add up the total of the cash drawer and reconcile it against your ending figure from step 1. The amount should match. If it doesn't, recount your piles and make sure that your figures are correct. If there still is no match, check under the cash drawer to make sure some money didn't end up under there. If you have an overage or you fall short, you need to make note of this and track down where the error happened. YOU are ultimately responsible for any overages/shortages. Please note any details, notify the assistant manager, and expect a follow-up.
 - Enter your net cash amount that you counted.
 - Print your 'Shift Report', highlight the 'Net Cash', 'Closing Drop', and 'Over/Short' amount to signify to the manager that you have noted and take responsibility of those numbers.
 - Log out of ERP Software.
 - Secure your closing drop, along with your 'Shift Report' in the envelope. Put the envelope directly in the drop safe.
- Sweep & Vacuum.
- Stock and tidy the bathrooms.
- Replenish the educational material.
- Turn off the music.
- Sweep the entire building (incl. restrooms) to ensure that no one is unaccounted for.
- Glance over the area to make sure the space looks exactly like you would want to find it in the morning when you open.
- Clock out at the end of your shift.
- Take your personal items out of your locker.

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- Turn out the lights
- Arm the alarm and lock the door behind you.

3.2.4 Managements Daily/Weekly Cash Reconciliation Procedure

3.2.4.1 DAILY SALES RECONCILIATION

Gather the daily drops from the drop safe.

Fill out your daily sales worksheet.

- Organize your drop envelopes sequentially by register number. Starting with register 1.
- Pull out the shift report. Highlight the 'Net Cash' amount, the 'Closing Drop' amount, and the 'over/short' amount.
- Take a moment to note that everything on the report looks correct. For example: The time that the shift was opened, the employee that opened it, the starting cash amount (should always be \$200), the dates that the shift was open, discounts (discounts should be regularly investigated to make sure that everyone is following discount guidelines), etc.
- Record the numbers on your Daily Sales Worksheet. Document the reasons for any overages/shortages in the notes section. Each employee should be noting and explaining any discrepancies. If not, please get in contact with the employees that worked that shift and investigate. ALL VARIANCES IN THE NUMBERS NEED TO BE ACCOUNTED FOR.
- Count the cash in the envelope making sure that the cash in the envelope matches the amount documented in the 'Closing Drop' column. Any discrepancies need to be addressed with the employee operating the register on that date/time. The employee on that register is responsible for those discrepancies.
- Once each envelopes information is properly recorded, and the money is accounted for, total the weekly deposit on the worksheet. Recount all the cash to make sure that your total on the worksheet matches the total cash in hand.

Fill out a bank deposit information for armored truck pick-up or bank delivery. Put the deposit slip and the cash into a bank bag. Store that bank bag in the safe until armored truck comes for pick-up.

Clip the coinciding shift reports with the weekly accounting worksheet and the deposit slip so that all the information is in one place, and all the money is fully accounted for. File in the appropriate months file.

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3.2.4.2 Daily Accounting Worksheet

DATE / REGISTER #	NET CASH	CLOSING DROP	OVER/SHORT	NOTES
TOTALS:				

DATES	DAILY DEPOSIT TOTAL (the sum of all the closing drops)

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3.2.4.3 Monthly Accounting Worksheet

WEEKS DATES	WEEKLY GROSS SALES	WEEKLY DELIVERIES	WEEKLY NET SALES	WEEKLY GOAL	VARIANCE	NOTES
MONTHLY TOTAL				MONTHLY GOAL		

3.2.5 Management's Weekly/Monthly Reports

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4 INVENTORY MANAGEMENT

4.1 Loss & Diversion Prevention

The security measures will secure the medical marijuana against diversion for non-medical purposes by protecting against theft not only from intruders, but also from staff members and visitors. This is done by limiting access both into and within different areas of the facility as necessary and by surveillance monitoring of personnel and visitors at all times when in close proximity to the product. Strict inventory control measures will also be engaged to prevent and detect diversion.

4.1.1 Daily Operations Training

Bravo Zulu will diligently train and periodically audit employees on all inventory management practices, including the use of Bravo Zulu's integrated Seed-to-Sale based Enterprise Resource Management (STS+ERP) software and Inventory Control protocols. Bravo Zulu's employees will learn compliant practices and technologies necessary to daily operations and useful for identifying inventory discrepancies and potential diversion. Stringent execution of the Inventory Control procedural steps and STS+ERP reporting capabilities will ensure that Bravo Zulu has complete and real-time awareness of its entire inventory of medical marijuana products.

4.1.2 Diversion Prevention Training

All Bravo Zulu employees will be trained in procedures related to detection and prevention of diversion of medical marijuana. This will be in addition to training on all daily operations standard operating procedures.

Bravo Zulu's Diversion Prevention Training will address:

- Security measures and anti-diversion controls (i.e., preventing theft, loss, or misuse of marijuana);
- Using the Department's Seed-to-Sale (Electronic Tracking) System as an anti-diversion tool;
- California and Humboldt County Rules and Regulations relating to medical marijuana;
- Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;
- Physical Security;
- Operational policies and procedures, including
 - patient data and certificate verification;
 - limitations on dispensing medical marijuana products;
- Reporting Requirements and Channels; and
- Bravo Zulu's "whistleblower" structure and procedures, designed to ensure complete safety and protection in reporting possible issues relating to diversion or negligence.

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4.1.3 Training Frequency

Training sessions will also be conducted throughout the year. This training may be conducted by licensed third parties, as permitted by the Department, including: law enforcement, consultants, and other presenters on topics that Bravo Zulu determines are relevant to the employees at Bravo Zulu facilities. All Bravo Zulu employees, as well as contracted third parties, will acknowledge by signature that they have read and understand all policies and procedures for which they have been trained.

4.1.4 Privacy & Security of Data Storage

As required by law and in pursuit of patient confidence and privacy, Bravo Zulu will ensure that its system stores all necessary data on accredited and potentially HIPAA-compliant servers (if determined necessary). Bravo Zulu and its information technology providers will maintain stringent physical security of servers, maintain access control restrictions to the data and servers, and protect patient identifiable information through encryption. All record data access will be managed based on tiers of "user role" and associated permissions: username/password access will be required for each user accessing the system, with all passwords being tested for strength and subject to regular renewal.

Records will be properly and securely maintained for at least six (6) years from their date of last transaction or reference.

4.2 ERP – Inventory Management

The facilities inventory control process includes tracking of all incoming raw and processed materials, including the name and state license number of the cultivator, the testing lab data (as applicable), the strain, the supplier's product tracking identification data, and bill of lading from the transport company. All incoming raw materials will be assigned a batch number that can be cross referenced to the above referenced data and stays with the product through the process and to final sale to retailers. All outgoing product will be tracked by SKU, batch number, invoice, and shipping documents; unless the product is not for sale and will be destroyed.

The methodologies for tracking and Inventory Control of Medical Marijuana and Medical Marijuana-Infused Product may be subject to requirements imposed by the State Licensing Authority and will be adjusted accordingly as required.

- **Inventory Generation & Tracking**
 - Classifications for type and caliber of Product
 - Price and profile designations, including pricing
 - Assign unique barcodes or use existing product barcodes
 - Transfer inventory within facility to ensure real-time, to-the-room accuracy of information
 - Create virtual labels and identifiers...then print as needed.

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- Inventory data be accessed based on an employee's site permissions, allowing management to provide rules-based access to only selected inventory at selected sites to a specific employee.
 - Mobile devices enabled – perform stocking-actions directly on the device or print stock-takes for manual paper then PC entry
- Purchase Order creation and receipt
- Traceability functionality records and tracks details regarding supplier, supply date range, supplier batch details, purchase order number and more
 - Balance of all inventory is available at all times, filtered according to demand.
- Re-stocking and supply level alerts generated when an inventory item has a low balance, the alert level is individually set for each inventory component
- Staff authorizations
 - Add employees and vehicles for the built-in transportation features
 - Add vendors
- Financials
 - Create and track records of accounts receivable/payable, including invoicing for actual transactions
 - Manage and record inbound and outbound transfers
 - Audit Inventory, particularly in terms of accurate reportage on Product volumes and state of preparedness.
 - Create different inventory types
 - Tax collections/tracking
 - Set price points

4.2.1 Monthly and Annual Inventory Reviews

The Bravo Zulu team will conduct physical inventory counts of medical marijuana products monthly. Bravo Zulu's Quality Assurance team will independently audits of physical inventory of medical marijuana products vs. reported stock in the Seed to Sale Inventory Control system on at least an annual basis.

Bravo Zulu will produce reports from its Seed to Sale Inventory Control system that document inventory audits and include the following information at a minimum:

- The date of the inventory audit
- A summary of the inventory audit findings and,
- The employee identification numbers, names, titles or positions of the individuals who conducted the inventory audit

This information will be made available internally and to the Department upon request.

Bravo Zulu's STS+ERP system is designed to incorporate several checks and balances to carefully manage Bravo Zulu's medical marijuana product inventory and prevent discrepancies. The

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system will provide a centralized point for all inventory in Bravo Zulu's facilities. The following system features will be included to assist in identifying inventory discrepancies in a timely manner:

- No negative inventory values will be allowed in the system. Any transaction that would cause an inventory value to become negative will be placed on hold and will be investigated by Bravo Zulu's Quality Assurance team.
- The system will provide audit and control reports to identify all transactions and a validation point to determine if a stock discrepancy exists. All inventory adjustments by a Bravo Zulu employee will be logged identifying the individual that made the adjustment and the time it was done.

4.2.2 Investigating Inventory Discrepancies

The Seed-to-Sale Inventory Control system will provide a de facto chain-of-custody tracking mechanism to identify any time medical marijuana products are added or subtracted to Bravo Zulu's inventory throughout their lifecycle.

Should any material reduction in the amount of medical marijuana products in the facilities inventory occur, the Bravo Zulu Quality Assurance team will investigate to determine where the loss has occurred. The investigation and its results will be reported to the Director of Security who will then take and document corrective action.

If a reduction in the amount of medical marijuana products in Bravo Zulu's inventory is due to suspected criminal activity by an employee, the Quality Assurance team will report the suspected employee to the Director of Security. They will take appropriate action which includes notification of the Department and law enforcement within 1 business day of the suspected loss.

Follow-up reports will be submitted concerning any significant discoveries relating to the incident. All incidents must be formally closed and signed off upon by the Director of Security.

If the discrepancy requires modification to existing standard operating procedure(s), Bravo Zulu will revise the procedure, making sure it is checked against existing procedures for anomalies, duplications, conflicts, and ensure that it adheres to current regulatory requirements. The revised SOP will be sent for review and approval by an internal review committee. Once approved, the procedure will be implemented and all affected Department Managers will be notified to train their teams on the new procedure.

An Audit Report will be written at the completion of each standard operating procedure audit which will include the disposition of the audit and summary findings. The final audit report will include: an audit checklist, all relevant supporting documentation, Corrective and Preventive Actions ("CAPAs") implemented and an executive summary and conclusion. All completed

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audits will be maintained as records and will be available for review by the Department upon request.

5 QUALITY ASSURANCE, PACKAGING, & LABELING

5.1.1 Supplemental Materials

Bravo Zulu will make available a range of supplemental materials (such as brochures), either authored by or in collaboration with the cultivation centers or processing operations, which convey important information about the provenance and characteristics of its Products. Such materials will be made available on request. These materials will:

- (a) disclose any pesticides applied to the marijuana plants and growing medium during production and processing;
- (b) identify the techniques and chemicals and compounds used for any form of extraction or concentration;
- (c) Assert specific warnings, as follows:
 - i. "Warning: This product may have intoxicating effects and may be habit forming. Smoking is hazardous to your health."
 - ii. "There may be health risks associated with consumption of this product."
 - iii. "Should not be used by women who are pregnant or breast feeding."
 - iv. "For use only by the person named on the label of the dispensed product. Keep out of the reach of children."
 - v. "Marijuana can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of this drug."
 - vi. If applicable, "This product contains or is infused with marijuana or active compounds of marijuana."
 - vii. If applicable, "Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by 2 or more hours."

5.1.2 Labels for Wholesale Product

Bravo Zulu will receive product lots from cultivation centers or processing facilities, and will require that such materials are labeled with accurate information and attestations regarding the products, such as:

- (e) Bravo Zulu name and its medical marijuana establishment registration certificate number;
- (f) The lot number of the product;
- (g) The date of harvest;
- (h) The date of final testing;
- (i) The date on which the product was packaged;

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- (j) The cannabinoid profile and potency levels and terpenoid profile as determined by the independent testing laboratory;
- (k) If the product is perishable, the expiration date; and
- (l) The quantity of marijuana contained in the product unit.
- (m) § 5094. Packaging and Labeling

This information will be displayed in a form substantially similar to the following:

<p style="text-align: center;">JT'S NURSERY Certificate Number: 123 456 789 001 0001</p> <p style="text-align: center;">Lot Number: 1234</p> <p style="text-align: center;">Harvested on: 01/01/2013</p> <p style="text-align: center;">Final Testing Date: 01/15/2013 Packaged on: 01/17/2013 Best if used by: March 17, 2013</p> <p style="text-align: center;">16.7% THC 1.5% CBD 0.3% CBN Myrcene 5.6 mg/g Limonene 5.1 mg/g Valencene 3.5 mg/g</p> <p style="text-align: center;">Net Weight: 2 lbs.</p>

5.2 Quality Assurance Review of Packaged Materials

Bravo Zulu will regularly review products in inventory in storage in order to:

- (a) Examine packaged and labeled products during finishing operations to provide assurance that the containers and packages have the correct labels;
- (b) ensure that the samples are visually examined for correct labeling; and
- (c) Record the results of the examinations performed in the applicable production or control records.
- (d) § 5104. Quality Assurance Review
- (e) Storage of material must go through a licensed commercial cannabis distributor as stated in Section 5090 of Title 16, Division 42

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6 TRANSPORTATION

6.1 General Transportation Principles

All medical marijuana deliveries will be received at the facility from a State licensed and/ or locally permitted licensed transport company; and all Medical Marijuana-Infused Products will be transported to State licensed and/ or locally permitted licensed Wholesale/Distribution companies by a State licensed and/ or locally permitted licensed transport company.

Transportation Manifests will be used to track movement of all marijuana and marijuana products including the shipping and receiving agent, quantities of product, make/model of vehicle, departure time, and estimated arrival time. Alerts may be established to provide information to management on late shipments.

All Applicant vehicles will be outfitted with Global Positioning System (“GPS”) transmitters. The transportation plans and GPS travel logs of appropriate Applicant agents and the logistics of Applicant’s delivery schema will be periodically reviewed to ensure compliance with this transportation restriction.

The SOPs for receiving shipments, confirming accuracy or reporting discrepancies, and processing items into inventory provide detail and checklists for the following protocols:

- On the day prior to delivery, Applicant will receive, by a direct and secure licensee-to- licensee transmission, a manifest from the shipping Licensee indicating the next day’s delivery.
- When the transporting agent carrying the delivery is approximately ten (10) minutes from arrival, the shipping licensee will notify Applicant’s staff and Security team.
- The delivery vehicle will be directed to a secured parking area
- Applicant agent will access the electronic manifest in Applicant’s enterprise resource planning (“ERP”) system;
- Applicant agent will confirm the identity of the transportation agent and match this ID against the ERP system;
- Transportation agent will provide a copy of the electronic manifest for the shipment;
- Receiving agent will review the shipment to ensure that
 - packaging is secure, undamaged, and appropriately labeled;
 - packages are labeled as described in the electronic manifest; and
 - contents match those described in the electronic manifest;
- Receiving agent will record in the manifest record in the ERP:
 - their confirmations of shipment review;
 - the signature and ID number of the transportation agent;
 - the date and time of change of custody for the shipment;
- Applicant agents will then:
 - Enter products into the ERP inventory management system;

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- Segregate received items from general inventory pending further inspection.

Any discrepancy in the shipment will be:

- recorded in the manifest record within the ERP
- investigated and reported via an Incident Report Form;
- reported to the shipping party, within 1 business day, in order to finalize the post-delivery affirmations; and
- escalated to Applicant's Chief Compliance Officer and potentially reported to the Commission in accordance with

Applicant will record in its enterprise resource planning ("ERP") system the following data relating to shipment-receiving:

- Shipping licensee name and address;
 - Shipping licensee's shipment identification number;
 - Shipping licensee package-preparer agent name;
 - Receiving licensee name and address;
 - Weight and description of each individual package;
 - Total number of individual packages; and
 - Any handling or storage instructions.
1. *The shipping Licensee's transporting agent will be greeted upon arrival and instructed by Applicant's Security personnel to park the delivery vehicle in a secured area. Applicant will (a) request verifying identification from the transporting agent, (b) create a digital record of the agent's state issued identification and marijuana transport agent licensing information, (c) input this digital record into Applicant's enterprise resource planning ("ERP") and state-reporting system.*
 2. *After verification and recordation of the transporting agent ID, the Manager and the transportation agent will move into the secured staging area. In this secured area, the Manager will conduct all required inspections of packaging to ensure that it is secure, undamaged, and appropriately labeled. The tamper evident shipping tape will also be inspected. This inspection event will be logged on to the intake checklist.*
 3. *The receiving Manager will assess the shipment to confirm that it is labeled as described in the electronic manifest, including:*
 - *Date/time that the package was sealed;*
 - *Name and signature of the preparing/sealing registered agent;*
 - *Shipping licensee name and address;*
 - *Shipment identification number;*
 - *A description of each item; and*
 - *Applicant's name and address as receiving licensee.*

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After all packages within a shipment have been inspected and deemed (a) compliant and (b) matching to all details of the manifest, then final weights and counts will be taken to ensure the shipment contains everything as described on the electronic manifest.

When transportation of medical marijuana is required, Applicant will only use registered agents (a) who are licensed as a motor vehicle operator by the State of [STATE] and (b) whose driving records are clean. Applicant will record all details associated with the delivery, including the transportation agent's name, driver license number, and make/model and license plate number of the transporting vehicle in its enterprise resource planning ("ERP") system. Any vehicle to be used for transportation of marijuana will be outfitted with Global Positioning System ("GPS") transmitters, and departure and expected arrival times will be tracked. The transportation plans and GPS travel logs of appropriate Applicant agents and the logistics of Applicant's delivery schema will be periodically reviewed to ensure compliance with this transportation restriction.

6.1.1 Transport Notices

Any movement of Product will be accompanied by the required notification into the software traceability system. The transporter will enter into the ERP system:

- (a) the type and amount of product being transported,
- (b) the name of the transporter, and
- (c) the time of departure and expected delivery.

The receiver of Product will enter the amount of product being received.

6.1.2 Who May Transport

All Bravo Zulu drivers are instructed that, with respect to operating a Bravo Zulu or personally owned vehicle for Bravo Zulu business and/or activities, they must:

- (a) Comply with all State, local, and traffic laws at all times.
- (b) Maintain a current, valid driver's license—and the affirmative obligation to notify Bravo Zulu of any moving violation, or other violations of motor vehicle law which may affect their driver's license, insurability, or restriction or suspension of their driver's license.
- (c) May not hold title to medical cannabis goods based on Section 5122 of Title 16, Division 42
- (d) Have proper insurance based on Section 5108 of Title 16, Division 42
- (e) Driver is compliant with Sections 5124
- (f) Driver is compliant with Section 5126 of Title 16, Division 42
- (g) Driver is complaint with Section 5126 of Title 16, Division 42
- (h) Ensure that the driver, and any passengers riding in any vehicle, wears seat belts/shoulder harnesses, even if air bags are available.
- (i) Never operate any Bravo Zulu vehicle or any personal vehicle driving on Bravo Zulu business while impaired, including:

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- i. under the influence of intoxicants, or .
- ii. by illness, fatigue, injury, prescription medication.
- (j) Never text-message or conduct non-hands-free phone conversations while driving.
- (k) Never allow unauthorized persons to ride in Bravo Zulu vehicles.
- (l) Maintain proper security for Bravo Zulu vehicle and its contents. The vehicle engine must be shut off, ignition keys removed, and vehicle doors locked whenever the vehicle is left unattended.
- (m) Promptly report mechanical difficulties or repair needs to management.
- (n) Record remote broadcast vehicle check-out and check-in information on proper forms as specified Bravo Zulu.
- (o) Always stow all loose items and equipment before moving the vehicle.
- (p) Use headlights 2 hours before sunset and until 2 hours after sunrise, or during inclement weather or at anytime when a distance of five hundred (500) feet ahead of the vehicle cannot be clearly seen.

6.1.3 Bravo Zulu's Broad Commitment to Compliance

Any Bravo Zulu driver, including volunteers or contracted service providers, who becomes aware of a situation in which he or she believes Bravo Zulu's legal or ethical responsibilities are being violated by another designated driver and/or purchaser licensee, or feels pressured to violate the law or Bravo Zulu's ethical responsibilities regarding the same, is required to notify Bravo Zulu of that concern.

6.2 Packaging & Labeling for Transportation

The Product will be stored in the vehicle in a locked, safe, and secure storage compartment that is secured to the inside body/compartment of the vehicle transporting the Product.

Product is transported in sealed packages, compliant with NRS and NAC. Such sealed packages or containers will not, under any circumstances, be opened during their transport.

Any and all Product to be delivered to licensed producers and/or dispensaries will be accompanied by a current and accurate Transportation Manifest, which will record:

- (a) the type and amount of product being transported,
- (b) the name of the transporter, and
- (c) the time of departure and expected delivery

6.3 Transport Tracking & Record Keeping

6.3.1 Transport - Delivery

Before transporting any Product, notification of shipment and shipping manifest will be generated based on Sections 5136 and 5138 of Title 16, Division 42. Bravo Zulu will enter into its ERP transaction system:

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- (a) the type of marijuana;
- (b) the amount of marijuana and/or weight of the Products being transported;
- (c) the name of the transporter/designated driver;
- (d) times of departure; and
- (e) expected delivery dates and times.

6.3.2 Receipt

Bravo Zulu will employ best efforts to ensure that the receiver enters into the traceability system the amount of product being received and the date and time of the receipt.

6.3.3 Record Keeping

Bravo Zulu will keep, securely and accessible at Bravo Zulu premises, all transportation-related records for a minimum of three (3) years. This includes:

- (a) transportation manifests,
- (b) order placements,
- (c) delivery receipts,
- (d) and notifications
- (e) compliance based on Section 5114 of Title 16, Division 42
- (f) compliance based on Section 5116 of Title 16, Division 42

6.4 Transportation Security

Bravo Zulu's dedication to the highest level of security, public safety, and smooth operation of California's medical marijuana system may recommend reliance on contract security escorts for product shipments.

Bravo Zulu's complete protocol for Security, including Transportation Security issues, can be found in Bravo Zulu document titled "ADVANCED PROPAGATION SECURITY GUIDELINES AND POLICIES."

- (a) Transporter is compliant with Section 5128 of Title 16, Division 42
- (b) Storage of products are compliant with Section 5130 and 5132 of Title 16, Division 42

6.5 Event Reporting Requirements

Any vehicle accident that occurs during Product transportation must be reported (by any Bravo Zulu employee, volunteer, or contracted service provider with knowledge of such) to the proper Bravo Zulu designee **within 2 hours** after the accident occurs.

Any loss or theft of Product or Bravo Zulu finances must be reported (by any Bravo Zulu employee, volunteer, or contracted service provider with knowledge of such) to the proper Bravo Zulu designee **immediately** after the individual becomes aware of the loss or theft.

The Bravo Zulu will immediately report the loss or theft to the appropriate law enforcement agency and to the Division.

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7 BUILDING OVERVIEW

7.1 Private Property & Availability to Authorities

The facility is not open to the public and will not accept visitors without a specific business purpose.

However, Bravo Zulu welcomes any inspection of the Medical Marijuana Center by the local fire department, building inspector, or code enforcement officer to confirm that no health or safety concerns are present.

7.2 Hours of Operation

Hours of operation will typically be from 7 AM to 7 PM; however, during periods of seasonally high workload, the hours of operations within the facility may increase. During such extend hours of operations, shipping, receiving, and any other traffic or noise generating activities will be limited to normal working hours.

7.3 Building Location and Dimensions

****Please review attached comprehensive architectural material*

7.4 Measures Taken to Minimize Carbon Footprint.

a) Bravo Zulu believes that everyone has a responsibility to reduce their individual carbon footprint. We will do our part by doing the following activities and more:

- a) Switch it Off: Turn off the lights when natural light is sufficient and when we leave the room. It's that simple!
- b) Climate Control: Keep our temperature system on a moderate setting while we're in the room. 68-70 degrees Fahrenheit.
- c) Wasteful Windows: Use our windows wisely! If our climate control system is on, shut them. If we need a little fresh air, turn off the heat or AC.
- d) Minimize Plug Load: Cut down the number of appliances we are running and we will save big on energy. For example, minimize the number of printers in our office.
- e) Give it a Rest: Power our computers down when we're away. A computer turned off uses at least 65% less energy than a computer left on or idle on a screen saver.
- f) Switch to CFLs: Compact fluorescent light bulbs (CFLs) use 75% less energy than incandescent and last up to 10 times longer.

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8 HEALTH, SAFETY, & SANITATION

8.1 Employee Health, Safety, & Sanitation Protocols

8.1.1 Regular Team Communications & Meetings

Bravo Zulu will communicate with employees regarding safety and health issues on at least a quarterly basis or as needed. Distribution agent awareness of potential health and safety hazards is critical to maintaining a safe work environment. Knowledge of how to control such hazards will aid in the prevention of injuries, illnesses and accidents in the workplace, and quality and cleanliness of the products. Safety issues will be included in regular safety meetings conducted by distribution management on a periodic basis. During these meetings, management will discuss with Bravo Zulu employee's issues including:

- Causes of recent accidents or injuries and the methods chosen to prevent similar incidents in the future.
- Any health or safety issues considered by the manager to require reinforcement.
- Any concerns, observations and suggestions by employees regarding workplace health or safety.

8.1.2 Indications of Health or Safety Issues

Bravo Zulu will institute standard operating procedures which require that any person who, by medical examination or supervisory observation, is shown to have, or appears to have, an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination for whom there is a reasonable possibility of contact with preparation surfaces for medical marijuana products shall be excluded from any operations which may be expected to result in such contamination until the condition is corrected.

The Bravo Zulu management team will monitor the health of all employees. In the event the Manager believes an employee responsible for the handling of medical marijuana products is ill, they will terminate the employee's shift immediately. If upon return to work, Bravo Zulu still suspects the employee is ill, he or she will require the employee to obtain a physician's release to return to work in the facility.

An Bravo Zulu distribution agent is required to report to a supervisor any personal health condition that might compromise the cleanliness or quality of the medical marijuana the distribution agent might handle including an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination. Employees that display any of the symptoms noted above will be instructed to self-report to their direct manager all such health conditions to prevent any adverse effect on a product. Employees who observe any of the symptoms noted above related to co-workers will be instructed to report their observations to the Quality Assurance team for follow up with the employee in question.

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All reports are to be immediately communicated to the on-duty distribution manager. If it is determined that an Bravo Zulu agent has a health condition that may adversely affect the safety or quality of the marijuana products, that agent will be prohibited from having direct contact with any marijuana or equipment until the manager determines that the health condition of the agent will not adversely affect the cleanliness or quality of any products.

Sufficient and accessible infection control supplies (e.g. hand-hygiene products, tissues and receptacles for disposal) are provided in all facility areas. Surface cleaning practices in common areas will be increased as necessary.

8.1.3 Training in Sanitation & Safety

Bravo Zulu will provide training to each employee regarding general safety procedures and hazards or safety procedures specific to that employee's work assignment. Training occurs upon hire, as well as whenever Bravo Zulu is made aware of a new or previously unrecognized hazard, or any Bravo Zulu Management Team leader believes that additional training is necessary.

8.1.4 Employee Clothing

Bravo Zulu requires that employees engaged in the Distribution of medical marijuana products wear clean clothing or an issued uniform appropriate for the duties they perform. Employees will be trained and required to practice good sanitation and health habits.

8.1.5 Handwashing and Lavatories

All personnel shall practice good sanitation and health habits. Employees must maintain adequate personal cleanliness standards and must wash their hands thoroughly in an adequate hand-washing area before starting work and at any other time when hands may have become soiled or contaminated.

Hand-washing facilities with running water at an appropriate temperature will be in the facility where good sanitary practices require employees to wash and sanitize their hands. Effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices will be provided.

Lavatories will be installed in Bravo Zulu's Distribution facilities and will be sanitized and maintained daily. Lavatories will be made available for both employee and visitor use with the latter being in a non-limited access area.

8.2 Prevention of Contamination of Medical Marijuana Products

Bravo Zulu will establish a multi-faceted approach to prevent contamination in its medical marijuana products. Standard operating procedures designed to maximize safety for employees and minimize potential contamination will be utilized within its facilities. Employees will be properly trained on quality control measures and protocols including:

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- Visual inspection of all items produced for any contaminants and foreign objects (plant material, hair, debris, etc.)
- Following all sanitary measures and procedures
- Ensuring that all persons working in direct contact with medical marijuana products shall conform to documented personal hygiene practices while on duty.

All operations in the receiving, inspecting, transporting, segregating, storing and dispensing of medical marijuana products shall be conducted in accordance with Bravo Zulu authored and regularly audited sanitation protocols.

Bravo Zulu will ensure that any permissible preparation or packaging of medical marijuana products is conducted in a secure space specifically designed for preparation and packaging located within the secure operations zone. The designated area will include a workspace that can be sanitized and is only for the preparation or packaging. As part of orientation, training for all staff members will include strict instructions that the designated area is for preparation and packaging of medical marijuana only. As a reminder, we will post signs at the entrance and in the designated areas stating: "This area is used exclusively for the preparation and packaging of medical marijuana." We have special protocols for cleaning and sanitation in these areas, including employee hand washing and hygiene.

Preparation of waste shall be segregated within the processing center to prevent any cross-contamination with any product processing areas. Waste will be properly removed and the standard operating procedures for waste disposal will be maintained in an adequate manner so that they do not constitute a source of contamination in areas where medical marijuana products are stored.

8.3 Facility Sanitation Resources & Design

8.3.1 Generally

Bravo Zulu will ensure that its facilities are continuously in proper working condition and that they are maintained on a regular basis. This includes all floors, walls, and ceilings in facilities. Proper and routine maintenance will provide a basis for employee safety and efficiency and will reduce any potential contamination that might otherwise occur.

All Bravo Zulu facilities will have a water supply sufficient for their operations. This supply will be derived from a public water system capable of providing a safe, potable and adequate supply of water to meet the operational needs of our employees and the overall facility.

8.3.2 Storage of Chemicals

The Bravo Zulu does not currently intend to handle any hazardous materials in amounts requiring a Hazardous Material Business Plan ("HMBP").

If Bravo Zulu operations do involve the handling of any non-exempt hazardous materials, it will register its hazardous materials with the local agency using the Hazardous Materials/Waste

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Registration Form, in order that any relevant agency could evaluate the storage or use and give notice of any permits or fees that apply.

Toxic cleaning compounds, sanitizing employees, solvents used in the sanitation of Bravo Zulu's facilities shall be labeled and stored in a manner that prevents contamination of medical marijuana products, and in a manner, that otherwise complies with other applicable laws and regulations.

Separate, dedicated areas will be defined for the storage of cleaning supplies, sanitizing employees and solvents used in Bravo Zulu's facilities.

8.4 Facility Protocols

8.4.1 Facility Sanitation SOPs

Bravo Zulu will implement standard operating procedures relative to the cleaning of all surfaces, equipment, floors, walls, ceilings, tables, and the overall facility. Each standard operating procedure will utilize sanitation protocols appropriate to the area/equipment being cleaned. Bravo Zulu will use sanitizing solutions in accordance with the instructions printed on the label.

Bravo Zulu will adhere to the following operational standards and best practices to ensure cleanliness of any building or equipment used to store or display medical marijuana:

- Buildings or equipment used for the storage or sale of medical marijuana will be maintained in a clean and sanitary condition.
- All contact surfaces, including utensils and equipment, will be maintained in a clean and sanitary condition. Such surfaces will be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the U.S. Environmental Protection Agency (EPA), in accordance with labeled instructions. Equipment and utensils will be so designed and of such material and workmanship as to be adequately cleanable.
- All counter tops must be wiped regularly to prevent the spread of germs and to remove dust and debris.
- Public areas will be swept and dusted at least once a day
- Food and drinks will be prohibited within the public zone; only distribution agents using the designated break room will be permitted to consume food and beverages.
- There will be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations.
- Litter and waste will be promptly removed, disposed of to minimize the development of odor and to minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal will be maintained in an adequate manner pursuant to the regulations.

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- Floors, walls, and ceilings will be constructed in such a manner that they may be adequately kept clean and in good repair.
- There will be adequate safety lighting in all processing and storage areas, as well as areas where equipment/utensils are cleaned.

8.4.2 Facilities Cleaning Logs

Room and equipment maintenance logs will be posted in each room of the facility. These logs will be updated daily with each scheduled cleaning and maintenance action being logged by an Bravo Zulu employee.

8.4.3 Litter and Waste Removal

Bravo Zulu will employ standard operating procedures for controlled waste management for its facilities. All litter and waste generated from normal facility operations will have a defined path for disposal.

Litter and waste will be properly disposed of and the systems for waste disposal will be maintained in good working condition to prevent the litter and waste from becoming a source of contamination in areas in which medical marijuana products are stored.

8.4.4 Hazardous Materials

Hazardous waste is defined as any substance no longer in use that has chemical and/or biological properties that may harm or endanger employees, material, or the environment if handled improperly. There are a variety of safety provisions that regulate the management, storage, and disposal of hazardous waste. Bravo Zulu will fully comply with stated regulations to ensure the safety and health of our employees, clients, and customers.

8.4.4.1 Hazardous Materials Handling

If Bravo Zulu begins to handle any individual hazardous material or mixture containing a hazardous material which has a quantity (at any time during the reporting year) equal to or greater than those listed below, Bravo Zulu will complete a Hazardous Material Business Plan (HMBP) and submit a copy to the local agency (currently understood to be the Humboldt County DHHS Division of Environmental Health):

1. 500 pounds for solid hazardous materials. [H&SC §25503.S(a)]
2. The following amounts for liquid hazardous materials:
 - a. Lubricating oil as defined by H&SC §25503.S(b)(2)(B): 55 gallons of any type or 275 gallons aggregate quantity on site. H&SC §25503.S(b)(2) (A)]
 - b. All others, including waste oil: 55 gallons. [H&SC §25503.5(a)]
3. The following amounts of hazardous material gases:

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- a. Oxygen, Nitrogen, or Nitrous Oxide stored/handled at a physician, dentist, podiatrist, veterinarian, or pharmacist's place of business: 1,000 cubic feet of each material on site. [H&SC §25503.5(b)(1)]
 - b. All others: 200 cubic feet. [H&SC §25503.5(a)]
4. Amounts of radioactive materials requiring an emergency plan under Parts 30, 40, or 70 of Title 10 Code of Federal Regulations or equal to or greater than applicable amounts specified in items 1, 2, or 3, above, whichever amount is smaller. [H&SC §25503.5(a)]
5. Applicable federal threshold planning quantities for extremely hazardous substances listed in 40 CFR Part 355, Appendix A.

8.4.4.2 Hazardous Waste Materials Disposal

Bravo Zulu will not to use plumbing systems to dispose of hazardous waste, regardless of whether they are "chemically resistant". Each department that utilizes hazardous chemicals will be equipped with appropriate disposal containers, labeled for each type of waste.

Different types of chemical waste must be segregated to avoid unnecessary mixing. Regular trash containers are not to be used to dispose of such waste. These containers will be stored in a segregated area within the waste mitigation room in the facility.

Disposal of any chemical, dangerous, or hazardous waste will be conducted in a manner consistent with federal, state and local laws, regulations, rules or other requirements.

Bravo Zulu will contract with a local waste management company to dispose of any hazardous materials or waste produced from its operations.

8.4.5 Solid Waste Disposal

Bravo Zulu has identified all points where waste may be generated in its operations as part of its initial design activities. Bravo Zulu's facilities have been designed to accommodate for the following types of waste anticipated to be generated from its operations:

- Unusable raw materials and inputs
- Green Waste that may arise during operations
- Recycling - packaging, cardboard, plastic, etc.
- Medical marijuana and medical marijuana products subject to voluntary or mandatory recalls
- Damaged, adulterated or mislabeled medical marijuana products
- Medical marijuana and medical marijuana products that have failed testing
- Medical marijuana and medical marijuana product samples that have expired
- Trash

Appropriate containers such as 55 gallon NSF drums, green waste containers, recycling bins and generic trash receptacles will be placed in the building.

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8.5 Marijuana Records of destroyed product

Records of destroyed raw materials and product will be kept and cross-referenced by batch number and SKU. The weight or volume, as appropriate, will be recorded along with the method of disposal. The methodology for recording destroyed Medical Marijuana and Medical Marijuana-Infused Product may be subject to requirements imposed by the State Licensing Authority and will be adjusted accordingly as required. Bravo Zulu will follow regulations based on Section 5102 regarding Laboratory Testing Results of Title 16, Division 42.

9 OPERATIONAL SECURITY

9.1 County's Access to Facility

Bravo Zulu will ensure that the Humboldt County Sherriff's Department is given unfettered access, 24-hours per day, seven days per week, to the facility.

Bravo Zulu personnel will cooperate fully with all conditions in the Use Permit and Use Permit Application requiring that the County, its agents, and employees, be granted access to the facility to seek verification of the information contained within the conditional use permit, permit applications, the Operations Manual, and the Operating Standards at any time before or after the conditional use permit is issued.

9.2 Lighting

Indoor and outdoor lighting will be controlled by photocell switching, timers, infrared motion sensors and/ or other state-of-the-art control systems to maintain an adequate light level at the interior and exterior of the facilities to ensure that personnel and the video surveillance system can effectively monitor the space in and around the facility at all times. Exterior lighting will be directed so as to not pose a nuisance to neighboring properties.

9.3 Alarm Systems

A security /burglar alarm system will be installed and operated at all appropriate times within the facility. This system will be monitored by a third-party remote central control station which will have the responsibility for automatically providing notification to law enforcement of any breach in the facility's security system.

Communications between the facilities alarm system and the central control station will be uninterruptible by power outage and/ or disability of the telephone system. Communications will be powered by an uninterruptible power supply, and transmission will either be by cellular or radio. The alarm system will be compliant to § 5074 of Title 16 Division 42.

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9.4 Video Surveillance

Bravo Zulu will ensure compliance with Section 5068 of Title 16, Division 42.

Current law requires the safe and secure handling of medical cannabis goods but does not clearly enumerate all safety and security measures to be taken. Business and Professions Code section 19334(b) requires the bureau to establish minimum security requirements for the commercial transportation, storage, and delivery of medical cannabis goods.

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10 RECORD KEEPING, TAX AND REPORTING REQUIREMENTS

Bravo Zulu maintains records sufficient to clearly reflect all financial transactions and the financial condition of the business. The business records that Bravo Zulu maintains reflect:

- (a) Purchase invoices and supporting documents, to include the items and/or services purchased, from whom the items were purchased, and the date of purchase;
- (b) Bank statements and canceled checks for any accounts relating to the licensed business;
- (c) Accounting and tax records related to the licensed business and each true party of interest, each in alignment with Generally Accepted Accounting Principles (GAAP) as applied by a licensed Certified Public Accountant;
- (d) Records of all financial transactions related to the licensed business, including contracts and/or agreements for services performed or received that relate to the licensed business;
- (e) All employee records, to include training;
- (f) Transportation records;
- (g) Inventory records;
- (h) All samples sent to an independent testing lab and the quality assurance test results;
- (i) Records of any theft of marijuana or marijuana products.

11 ROLES AND RESPONSIBILITIES

Roles and Responsibilities

Chief Executive Officer – CEO:

- Intensifiers management’s efficiency by recruiting, selecting, and correcting managers. Also, developing an environment for offering information and opinions; providing educational opportunities.
- Creates and implements the organization’s vision, mission, and overall goals.
- Accountable for fixing prices and signing business deals
- Accountable for providing direction for the business
- Answerable for signing checks and documents on behalf of the company
- Appraises the success of the organization
- Reports to the board

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Admin and HR Manager

- Accountable for supervision the smooth running of HR and administrative tasks for the organization
- Upholds office supplies by checking stocks; placing and expediting orders; evaluating new products.
- Guarantees operation of equipment by completing preventive preservation requirements.
- Appraises job knowledge by partaking in educational opportunities and reading professional publications
- Describes job positions for recruitment and managing interviewing process
- Carries out staff introduction for new team members
- Is saddled with training, evaluation and assessment of employees
- Responsible for arranging travel, meetings and appointments
- Supervises the smooth running of the daily office activities.

Warehouse Manager:

- Answerable to forming the safe and efficient delivery, storage and dispatch of warehoused goods
- Accountable for liaising with customers, suppliers and transport companies
- Plans, coordinates and screens the receipt, order assembly and dispatch of goods
- Accountable for using space and mechanical handling equipment professionally and making sure quality, budgetary targets and environmental objectives are met
- In charge of organizing the use of automated and computerized systems where necessary
- Accountable for keeping stock control systems up to date and making sure inventories are accurate;

Merchandize Manager

- Manages vendor relations, market visits, and the ongoing education and development of the organizations' buying teams
- Responsible for the purchase of beverages and carbonated drinks for the organizations

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- Responsible for planning sales, monitoring inventory, selecting the merchandise, and writing and pricing orders to vendors
- Ensures that the organization operates within stipulated budget.

Sales and Marketing Manager

- Accomplishes external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones
- Models demographic information and analyze the volumes of transactional data generated by customer purchases
- Accountable for supervising implementation, advocate for the customer's needs, and communicate with clients
- Grows, performs and assesses new plans for expanding increase sales
- Documents all customer contact and information
- Represents the company in strategic meetings
- Helps to increase sales and growth for the company

Information Technologist

- Manages the organization website
- Handles ecommerce aspect of the business
- Responsible for installing and maintenance of computer software and hardware for the organization
- Manage logistics and supply chain software, Web servers, e-commerce software and POS (point of sale) systems
- Manage the organization's CCTV
- Handles any other technological and IT related duties.

Accountant / Cashier:

- Responsible for preparing financial reports, budgets, and financial statements for the organization
- Provides managements with financial analyses, development budgets, and accounting reports; analyzes financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.
- Responsible for financial forecasting and risks analysis.
- Performs cash management, general ledger accounting, and financial reporting
- Responsible for developing and managing financial systems and policies

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- Responsible for administering payrolls
- Ensuring compliance with taxation legislation
- Handles all financial transactions for the organization
- Serves as internal auditor for the organization

Client Service Executive

- Ensures that all contacts with clients (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
- Through interaction with customers on the phone, uses every opportunity to build client's interest in the company's products and services
- Manages administrative duties assigned by the human resources and admin manager in an effective and timely manner
- Consistently stays abreast of any new information on the organizations' products, promotional campaigns etc. to ensure accurate and helpful information is supplied to customers when they make enquiries

Distribution Truck Drivers

- Helps in loading and unloading beverages and carbonated soft drinks
- Upholds a logbook of their driving activities to ensure compliance with federal regulations governing the rest and work periods for operators.
- Keeps a record of vehicle inspections and make sure the truck is equipped with safety equipment
- Assists the transport and logistics manager in planning their route according to a distribution schedule.
- Local-delivery drivers may be required to sell products or services to stores and businesses on their route, obtain signatures from recipients and collect cash.

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12 DISTRIBUTION CAPEX

This is the key areas where we will spend our start – up capital;

- The total fee for registering the business in the United States of America – **\$750.**
- Legal expenses for obtaining licenses and permits as well as the accounting services (software, P.O.S machines and other software) – **\$3,300.**
- Marketing promotion expenses for the grand opening of Distribution Company®, LLC in the amount of **\$3,500** and as well as flyer printing (2,000 flyers at \$0.04 per copy) for the total amount of **\$3,580.**
- The cost for hiring business consultant – **\$2,500.**
- The cost for insurance (general liability, workers' compensation and property casualty) coverage at a total premium – **\$2,400.**
- The cost for payment of rent for 12 month at \$1.76 per square feet warehouse facility in the total amount of **\$105,600.**
- The total cost for warehouse facility remodeling (construction of racks and shelves) – **\$20,000.**
- Other start-up expenses including stationery (**\$500**) and phone and utility deposits (**\$2,500**).
- Operational cost for the first 3 months (salaries of employees, payments of bills et al) – **\$60,000**
- The cost for Start-up inventory (stocking with a wide range of beverages, and carbonated soft drinks) – **\$100,000**
- Storage hardware (bins, rack, shelves, food case) – **\$3,720**
- The cost for counter area equipment (counter top, sink, ice machine, etc.) – **\$9,500**
- The cost for serving area equipment (plates, glasses, flatware) – **\$3,000**
- The cost for store equipment (cash register, security, ventilation, signage) – **\$13,750**
- The cost of purchase and installation of CCTVs – **\$5,000**
- The cost for the purchase of furniture and gadgets (Computers, Printers, Telephone, TVs, Sound System, tables and chairs et al) – **\$4,000.**
- The cost for the purchase of distribution vans / trucks – **\$25,000**
- The cost of launching a website – **\$600**
- The cost for our opening party – **\$7,000**
- Miscellaneous – **\$10,000**

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We would need an estimate of **\$500,000** to successfully set up our beverage and carbonated soft drinks distribution business. Please note that this amount includes the salaries of all the staff for the first month of operation.

Check List / Milestone

- Business Name Availability Check: **Completed**
- Business Registration: **Completed**
- Opening of Corporate Bank Accounts: **Completed**
- Securing Point of Sales (POS) Machines: **Completed**
- Opening Mobile Money Accounts: **Completed**
- Opening Online Payment Platforms: **Completed**
- Application and Obtaining Tax Payer's ID: **In Progress**
- Application for business license and permit: **Completed**
- Purchase of Insurance for the Business: **Completed**
- Leasing of warehouse facility and remodeling the facility: **In Progress**
- Conducting Feasibility Studies: **Completed**
- Generating capital from family members: **Completed**
- Applications for Loan from the bank: **In Progress**
- Writing of Business Plan: **Completed**
- Drafting of Employee's Handbook: **Completed**
- Drafting of Contract Documents and other relevant Legal Documents: **In Progress**
- Design of The Bravo Zulu's Logo: **Completed**
- Graphic Designs and Printing of Packaging Marketing / Promotional Materials: **In Progress**
- Recruitment of employees: **In Progress**
- Purchase of the Needed furniture, racks, shelves, computers, electronic appliances, office appliances and CCTV: **In progress**
- Purchase of distribution vans: **Completed**
- Creating Official Website for the Bravo Zulu: **In Progress**
- Creating Awareness for the business both online and around the community: **In Progress**
- Health and Safety and Fire Safety Arrangement (License): **Secured**

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- Opening party / launching party planning: **In Progress**
- Compilation of our list of products that will be distribute: **Completed**
- Establishing business relationship with beverages and carbonated drinks production companies within and outside of the United States of America: **In Progress**

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ATTACHMENT 4
Referral Agency Comments and Recommendation

The project was referred to the following referral agencies for review and comment. Those agencies that provided written comments are checked off.

Referral Agency	Response	Recommendation	Location
County Building Inspection Division			
County Public Works, Land Use Division	X	Ordinance required for perpendicular parking	
County Division of Environmental Health			
County Counsel			
Redway Community Services District			
Briceland Fire Protection District			
CALFIRE			
Bear River Band of the Wiyot Tribe			
NWIC			

ATTACHMENT 5

Q - Qualified Zone

ORDINANCE AMENDING SECTION 311-7 OF THE HUMBOLDT COUNTY CODE
 BY REZONING PROPERTY IN THE REDWAY AREA
 [ZR-17-002 (WEST RIVER LANE INC.)]

ORDINANCE NO. _____

The Board of Supervisors of the County of Humboldt do ordain as follows:

SECTION 1. ZONE AMENDMENT. Section 311-7 of the Humboldt County Code is hereby amended by reclassifying 11,000 square feet in the Redway area from Highway Services Commercial (CH) to Community Commercial (C-2) Qualified (Q) .

The area described is shown on the Zoning Map for the Garberville/Redway/Alderpoint/Benbow Community Plan and on the map attached as Exhibit A.

SECTION 2. ZONE QUALIFICATION. The special restrictions and regulations set forth in Section 4 herein are hereby made applicable to the property reclassified from Highway Services Commercial (CH) to Community Commercial (C-2) Qualified (Q) in accordance with Humboldt County Code Section 314-32, which authorizes restriction of the C-2 zone regulations by application of the “Q” (Qualified Combining Zone).

SECTION 3. PURPOSE OF QUALIFICATIONS. The purpose of the special restrictions and regulations herein imposed on the properties described in Section 1 is to maintain the CH Zone development standards on the parcel.

SECTION 4. SPECIAL RESTRICTIONS. Principal permitted uses and conditionally permitted uses otherwise allowed under the C-2 zone regulations of Humboldt County Code Section 314-2.2 are limited to those allowed by the CS Plan designation as shown in Table 4C of the General Plan, and are subject to the following development standards of the CH - Highway Services Commercial zone:

Development Standards

Minimum Lot Area	2,000 square feet.
Minimum Lot Width	Twenty-five feet (25').
Minimum Yard Setbacks*	
Front	None, except that where frontage is in a block which is partially in a Residential Zone (RS, R-1, R-2, R-3, R-4) the front yard shall be the same as that required in such Residential Zone.
Rear	Fifteen feet (15'), except that where a rear yard abuts on an alley, such rear yard may be not less than five feet (5').
Side	None, except that a side yard of an interior lot abutting on a Residential Zone (RS, R-1, R-2, R-3, R-4) or Agricultural Zone (AE, AG) shall be not less than the front yard required in such Residential Zone or Agricultural Zone.
Maximum Ground Coverage	(None specified.)
Maximum Building Height	Forty-five feet (45').

EFFECTIVE DATE. This ordinance shall become effective thirty (30) days after the date of its passage.

PASSED, AND ADOPTED by the Humboldt County Board of Supervisors this day of _____
 by the following vote:

AYES: Supervisors:

NOES: Supervisors:

ABSENT: Supervisors:

ABSTAIN: Supervisors:

VIRGINIA BASS, CHAIRPERSON,
HUMBOLDT COUNTY BOARD OF SUPERVISORS

ATTEST: _____
Clerk of the Board

ATTACHMENT 6
Zoning Comparison Table

ZONING COMPARISON TABLE

Use Type/Description	CH Zone	C-2 Zone
Car washes	P	--
Retail nurseries and greenhouses (non-cannabis related)	P	--
Amusement parks and commercial recreational facilities	P	--
Social halls, fraternal and social organizations, and clubs	P	P
Professional and business offices and commercial instruction	P	P
Stores, agencies and services of a light commercial character, conducted entirely within an enclosed building, such as antique shops, art galleries, retail bakeries, banks, barber shops, beauty salons, book stores, clothing and apparel stores, coin-operated dry cleaning and laundries, dry cleaning and laundry agencies, drug stores, florists, food markets, furniture stores, hardware and appliance stores, radio and television sales and services, restaurants and licensed premises appurtenant thereto, automobile service stations, studios, tailor shops, enclosed theaters, variety stores, and mortuaries	P	P
Caretaker's Residence which is incidental to and under the same ownership as an existing commercial use	P	P
Stores, agencies and services such as minor automobile repair; new automobile, trailer and boat sales, and used automobile, trailer and boat sales appurtenant thereto; bowling alleys; licensed premises not appurtenant to any restaurant, pet shops, public garages, sales of used or secondhand goods, and storage warehouses.	P	P
Within Housing Opportunity Zones multiple dwellings on the upper floors of multistory structures where below are commercial establishments engaged in uses designated "Principally Permitted" or "Conditionally Permitted" in the C-2 Zone Emergency Shelters within areas mapped to specifically allow emergency shelters as a principally permitted use	P	P
Hotels and motels	P	CUP
Outside Housing Opportunity Zones, apartments on the upper floors of multistory structures where below are establishments engaged in commercial uses designated "Principally Permitted" or "Conditionally Permitted" in the Zone, as well as emergency shelters outside areas mapped to specifically allow emergency shelters as a principally permitted use	SP	SP
Boarding and rooming houses and manufactured home parks	CUP	CUP
Dwellings, Manufactured homes	CUP	CUP
Small animal hospitals completely enclosed within a building	CUP	CUP
Small animal hospitals (not completely enclosed) and kennels.	CUP	--
Stores, agencies and services such as carpentry and cabinet-making shops, clothing manufacture, contractors' yards, dry cleaning and laundry plants, handicraft manufacture, lumber yards metal-working shops, wholesale outlet stores, painters' and decorators' yards, plumbing shops, printing, lithographing and major auto repair.	--	CUP
Special occupancy parks	CUP	--
Medical cannabis outdoor and mixed light cultivation,	--	CUP
Medical cannabis indoor cultivation (0-5,000 SF; 5,000 to 10,000 SF)	--	ZCC/CUP
Medical cannabis processing, manufacturing, and wholesale distribution facilities	--	SP
Medical cannabis retail nurseries	--	CUP
Medical cannabis dispensary	CUP	CUP

KEY:

P=Principally Permitted Use; SP=Special Permit; CUP=Conditional Use Permit; "--"=Not an Allowed Use; ZCC=Zoning Clearance Certificate