Cultivator Application – Filing Packet Notarized Cover Sheet

Instructions are provided in a separate document: Cultivator Application – Request for Applications / Instructions Packet (MMCP-C-1000).

Acknowledgement and Notarized Signature

☐ I hereby acknowledge that knowingly making a statement that is untrue or which is intended to mislead the Medical Marijuana Control Program (MMCP), the Department of Commerce, the State Board of Pharmacy, or the State Medical Board, or any person designated by the State of Ohio in the performance of their official function is a violation of Chapter 3796 of the Revised Code. As the duly authorized representative of the applicant, I hereby attest to the accuracy to the best of my knowledge of the submitted information on this application and make the submitted certifications on behalf of the applicant.

☐ I hereby acknowledge that this application was formulated with the assistance of outside consultants knowledgeable in the industry. If applicable, please include the information requested below regarding the individuals or entities that provided this assistance.

☐ I hereby authorize the Ohio Department of Taxation and any of its agents and/or employees to release information to the Ohio Department of Commerce. These records and information shall be limited to information obtained and maintained by the Ohio Department of Taxation and shall not contain any federal tax information as defined in I.R.C. 6103 and received from the Internal Revenue Service. I expressly waive the confidentiality provisions of the Ohio Revised Code, which would otherwise prohibit disclosure, and agree to hold the above-referenced organization harmless with respect to the disclosure herein. I certify under the penalties of perjury that I am the taxpayer identified below or an agent authorized to certify on its behalf.

Please verify the application level and submit the corresponding, non-refundable application fee:

☐ Level I: I understand and am prepared to submit the non-refundable application fee of $20,000 at the time of submission of this application. By checking this box, I acknowledge that the applicant and any person possessing a financial interest in the applicant, as defined in O.A.C. 3796:1-1-01, is prohibited from applying as a Level II cultivator. (3796:5-1-01)

-OR-

☐ Level II: I understand and am prepared to submit the non-refundable application fee of $2,000 at the time of submission of this application. By checking this box, I acknowledge that the applicant and any person possessing a financial interest in the applicant, as defined in O.A.C. 3796:1-1-01, is prohibited from applying as a Level I cultivator (3796:5-1-01).
**Ohio Department of Commerce**

**Medical Marijuana Control Program (MMCP)**

<table>
<thead>
<tr>
<th>Business Represented:</th>
<th>Paragon Development Group, LLC</th>
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<tbody>
<tr>
<td>First Name</td>
<td>Jason</td>
</tr>
<tr>
<td>M.I.</td>
<td>A</td>
</tr>
<tr>
<td>Last Name</td>
<td>Wilson</td>
</tr>
<tr>
<td>Signature</td>
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**Application Assistance Information**

Name of Company Providing Application Assistance (If individuals, please provide information below)

Strainwise Consulting

<table>
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<tr>
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<th>M.I.</th>
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<tr>
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<th>1350 Independence St. Ste. 300 Lakewood, CO 80215</th>
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<tr>
<th>Type of Compensation for Services (e.g., future interest, equity stake, reoccurring payment, etc.)</th>
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<tr>
<td>Single, up-front payment, with a bonus if license is granted</td>
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</tbody>
</table>

Signature of Responsible Party

Subscribed and sworn to before me this **5th** day of **June**, 2017.

(SEAL)

JENNIFER YUNKER
NOTARY PUBLIC

NOTARY ID # 20154035839
MY COMMISSION EXPIRES SEPTEMBER 10, 2018
Cultivator Application – Filing Packet Section 1 Identifiable Information Checklist

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
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<tr>
<td></td>
<td><strong>Application Cover Sheet</strong></td>
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<td>-</td>
<td>Acknowledgement and Notarized Signature</td>
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<tr>
<td></td>
<td><strong>Section 1: Identifiable Information Section</strong></td>
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<tr>
<td>1A</td>
<td>Business Entity and Contact Information Form</td>
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<td>1B</td>
<td>Liquid Assets Form</td>
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<td>1C</td>
<td>Financial Responsibility Form – Insurance</td>
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<tr>
<td>1D</td>
<td>Financial Responsibility Form – Escrow / Surety</td>
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<td>1E</td>
<td>Property Owner Approval for Use Form</td>
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<td>1F</td>
<td>500 Foot Compliance Cover Page</td>
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<td>1G</td>
<td>Notice of Proper Zoning Form</td>
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<td>1H</td>
<td>Zoning Permit Cover Page</td>
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<tr>
<td>1I</td>
<td>Owners and Officers Roster Form</td>
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<tr>
<td>1J</td>
<td>Organizational Chart Cover Page</td>
<td></td>
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<tr>
<td>1K</td>
<td>Individual Background Information Form (Include copy for each person listed on Attachment 1I)</td>
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<td>1L</td>
<td>Business in Other Jurisdictions Form</td>
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<td>1M</td>
<td>Copies of Licenses from Business in Other Jurisdictions Cover Page</td>
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<td>1N</td>
<td>Tax Payment Records Cover Page</td>
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<td>1O</td>
<td>Disadvantaged Group Applicant Form</td>
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<td>1P</td>
<td>Entity Identifier Legend Form</td>
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<tr>
<td>1Q</td>
<td>Trade Secret and Infrastructure Record Notification Form</td>
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</tbody>
</table>
## Business Entity Information

1. Legal Name of Applicant (3796:2-1-02(B)(2)(a)):

Paragon Development Group, LLC

2. Trade Name of Applicant:

Paragon Development Group, LLC

3. Type of Organization/ Applicant Business Type (3796:2-1-02(B)(2)(b)):

- [ ] Individual/ Sole Proprietorship
- [ ] Corporation
- [ ] Partnership
- [x] Limited Liability Corporation
- [ ] Association/ Cooperative
- [ ] Joint Venture
- [ ] Other: __________

4. Ohio Secretary of State Business Identification Number (3796:2-1-02(B)(2)(c)):

4031529  File No. 201714204746

5. Business Address:

5575 Ross Rd

6. City:

Tipp City

7. State: OH

8. Zip Code: 45371

9. Proposed Facility Physical Address (if different than above) (3796:2-1-02(B)(2)(d)):

6212 Executive Blvd

10. City (if different than above):

Huber Heights

11. State: OH

12. Zip Code: 45424

### Primary Contact or Registered Agent Information

13. Business Phone Number:

630-901-2084

14. Email Address:

mnelson@paragonohio.com

15. First Name

Jason

16. M.I.

A

17. Last Name

Wilson

18. Title (i.e., Owner, President, etc.)

Owner

19. Mailing Address (if different than Business Address):

20. City:
Ohio Department of Commerce
Medical Marijuana Control Program (MMCP)

<table>
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<td></td>
<td></td>
<td>937-604-8209</td>
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24. Email Address (if different than Business Email):

jwilson@paragonohio.com

(Optional) Alternative Contact Information

<table>
<thead>
<tr>
<th>25. First Name</th>
<th>26. M.I.</th>
<th>27. Last Name</th>
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</thead>
<tbody>
<tr>
<td>Mark</td>
<td>R</td>
<td>Nelson</td>
</tr>
</tbody>
</table>

28. Title (i.e., Owner, President, etc.):

Chief Operating Officer

29. Mailing Address (if different than Business Address):

30. City:

<table>
<thead>
<tr>
<th>31. State:</th>
<th>32. Zip Code:</th>
<th>33. Phone Number:</th>
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<tr>
<td></td>
<td></td>
<td>630-901-2084</td>
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</table>

34. Email Address (if different than Business Email):

mnelson@paragonohio.com

Identifying Tax Information

<table>
<thead>
<tr>
<th>35. FEIN/SSN</th>
<th>36. CAT Account #</th>
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<tr>
<td>82-1623251</td>
<td>93129578</td>
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37. Vendor's License #

38. Employer Withholding Account #

Applied For

54073095

39. Other Accounts at the Department of Taxation
1B Liquid Assets Form  
3796:2-1-03(A)(1), 3796:2-1-03(B)(5)(c)

<table>
<thead>
<tr>
<th>To be Completed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Individual or Entity Applying for a Medical Marijuana Cultivator Certificate of Operations:</td>
</tr>
<tr>
<td>Paragon Development Group, LLC</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>To be Completed by Applicant or CPA</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Level I: I hereby certify the above listed Applicant has at least $500,000 in liquid assets, which are unencumbered and can be converted within 30 days after a request to liquidate such assets.</td>
</tr>
<tr>
<td>-OR-</td>
</tr>
<tr>
<td>□ Level II: I hereby certify the above listed Applicant has at least $50,000 in liquid assets, which are unencumbered and can be converted within 30 days after a request to liquidate such assets.</td>
</tr>
</tbody>
</table>

Date of Certification (must be within 30 days of Application submission) (3796:2-1-03(B)(5)(c)(ii).)

| 6 June 2017 |

Printed Name of CPA or Applicant: Janice L. Shannon CPA

CPA Company Name (if applicable): KP Shannon, Inc. dba Shannon & Company, CPA

Phone Number: 937-426-5089

Signature: [Signature]

Subscribed and sworn to before me this 6th day of June, 2017.

DERRICK FRANKLIN JR  
Notary Public, State of Ohio  
My Comm. Expires 09-11-2021  
Recorded in the County of Montgomery

NOTARY PUBLIC
To be Completed by Applicant

Name of Individual or Entity Applying for a Medical Marijuana Cultivator Certificate of Operations:

**Paragon Development Group, LLC**

☒ I hereby certify the intent to purchase insurance coverage and terms of insurance required and approved by the Department of Commerce, including, but not limited to, products liability and general liability, prior to the issuance of a certificate of operations, if such products are in existence at the time of issuance or the time of renewal.

-OR-

☐ I hereby certify insurance coverage has been purchased with terms of insurance required and approved by the Department of Commerce, including, but not limited to, products liability and general liability, prior to the issuance of a certificate of operations. Coverage documentation is ATTACHED to this application following this form.

<table>
<thead>
<tr>
<th>Date:</th>
<th>Signature:</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 June 17</td>
<td></td>
</tr>
</tbody>
</table>

Subscribed and sworn to before me this __th day of __, 20__.

(SEAL)
1D Financial Responsibility Form – Escrow / Surety
3796:2-1-02(B)(6)(d), 3796:2-1-05(B)

To be Completed by Applicant or CPA

Name of Individual or Entity Applying for a Medical Marijuana Cultivator Certificate of Operations:

Paragon Development Group, LLC

Type of Security:

☐ Escrow Account
   (3796:2-1-05(B)(2))

☑ Surety Bond
   (3796:2-1-05(B)(3))

☐ Level I: I hereby certify the ability of the above listed Applicant to establish and maintain an escrow account or surety bond in the amount of $750,000, consistent with the Level I application requirements, prior to being awarded a Cultivator Certificate of Operations.

-OR-

☐ Level II: I hereby certify the ability of the above listed Applicant to establish and maintain an escrow account or surety bond in the amount of $75,000, consistent with the Level II application requirements, prior to being awarded a Cultivator Certificate of Operations.

Surety Insurance Company Name (if applicable) (3796:2-1-05(C)):

Printed Name: CPA Company Name (if applicable):

Janice L. Shannon, CPA

KP Shannon, Inc. dba Shannon & Company, CPA

Phone Number:

937-426-5089

Signature:

Subscribed and sworn to before me this 6th day of June, 2017.

DERRICK FRANKLIN JR
Notary Public, State of Ohio
My Comm. Expires 09-11-2021
Recorded in the County of Montgomery

NOTARY PUBLIC
**IE Property Owner Approval for Use Form**

3796:2-1-02(B)(2)(h)

---

To be Completed by the Applicant

Name of Individual or Entity Applying for a Medical Marijuana Cultivator Certificate of Operations:

**Paragon Development Group, LLC**

Physical Address and Name of Proposed Medical Marijuana Cultivator Facility:

**6212 Executive Blvd**

<table>
<thead>
<tr>
<th>City</th>
<th>Montgomery</th>
</tr>
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<tbody>
<tr>
<td>Huber Heights</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>State</th>
<th>Zip Code</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ohio</td>
<td>45424</td>
<td>937-604-8209</td>
</tr>
</tbody>
</table>

Legal Description of the Property:

Located in Section 24, Town 2, Range 8 MRS

---

To be Completed by the Owner of the Physical Address of the Proposed Cultivator

Name of Owner of the Physical Address of the Proposed Medical Marijuana Cultivator Facility:

**Dayton Apple, LLC**

Length of Lease/Expiration:

**TBD**

- The individual or entity applying for a Medical Marijuana Cultivator Certificate of Operations is the owner of the physical address of the proposed Medical Marijuana Cultivator.

- The owner of the physical address of the proposed Medical Marijuana Cultivator gives permission to the individual or entity applying for a Medical Marijuana Cultivator Certificate of Operations to operate a Medical Marijuana Cultivator facility at the physical address.

---

PROPERTY OWNER SIGNATURE | DATE SIGNED

**[Signature]** | **6/5/17**

---

[Notary Seal]

Commission Expires: 9/5/21

Jasmine Muchina

Commission Expires: 9/5/21

Ohio Notary Public
Attach a location map of the area surrounding the proposed cultivator facility. Include representation of the area within at least a 750 foot radius of the proposed facility in all directions. Identify the relative locations of any prohibited facilities on the map, establishing the facility is at least 500 feet from the boundaries of any parcel of nearby real estate having situated on it a prohibited facility, as measured under rule 3796:5-5-01 of the Administrative Code.

At a minimum, the location map should include representation of any of the following prohibited facilities, as defined in ORC 3796.30:

- School including child day-care centers, preschools, or a public or nonpublic primary school or secondary school (as defined in ORC 5104.01 and 2950.034);
- Church (as defined in ORC 1710.01);
- Public library (as defined in ORC Chapter 3375);
- Public Playground (including state or local government property); and
- Public Park (including state or local government property).

Include this cover page with the appropriate attachment.

Map may be divided into 8.5x11 page sections or may be folded to fit into an 8.5x11 packet.

Map must be clearly labeled and legible.
Paragon Development Group, LLC

6212 Executive Blvd

City: Huber Heights  County: Montgomery
State: Ohio  Zip Code: 45424  Phone Number: 937-604-8209

To be Completed by Zoning Authority or Local Government

Jurisdiction of Zoning Office or Local Government

☐ The Applicant has applied for local zoning approval to operate a Medical Marijuana Cultivation facility at the address listed above. *(If Permit Issued, include as Attachment 1H.)*

☐ The Applicant complies with local zoning laws and regulations to operate a Medical Marijuana Cultivation facility at the address listed above at this time.

☐ The area of **City of Huber Heights** has no local moratorium on Medical Marijuana facilities in place at this time. *(3796:2-1-03(A)(4))*

☐ The area of ______________________ has no zoning in place at this time.

Printed Name of Authorized Zoning Representative: Donnie R. Jones  Title: Assistant City Manager

Signature:

Subscribed and sworn to before me this 6 day of June, 2017.

JAMIE FREY  Notary Public  in and for the State of Ohio  My Commission Expires

NOTARY PUBLIC
1H Zoning Permit Cover Page
3796:2-1-02(B)(2)(k)

☐ Applicant has received local zoning approval and was issued a permit. Permit is attached after this cover page.

☒ No permit is attached.

Mark one of the boxes above.

Include this form in application even if no permit is attached.
Ohio Department of Commerce
Medical Marijuana Control Program (MMCP)

11 Owners and Officers Roster Form
3796:2-1-02(B)(2)(e).

To be Completed by Applicant
Name of Individual or Entity Applying for a Medical Marijuana Cultivator Certificate of Operations:

I certify, to the best of my knowledge, that the following requirements comply as to the date of the application:

☒ No owner or officer is a physician who has been certified or applied for certification to recommend medical marijuana under Chapter 4731.30 of the Revised Code.
☒ No owner or officer has ownership, financial interest, or a compensation arrangement with a laboratory licensed under Chapter 3796 of the Administrative Code or is an applicant for a license to conduct laboratory testing.

I certify, that I acknowledge the following condition of the review of my application:

☒ No owner or officer may have a financial interest in more than one provisional license or cultivator certificate of operation at any time (3796:2-1-04(D)). If any owner or officer is included on more than one person’s application or entity’s application, the Department of Commerce will remove both applications from consideration.

Provide the following list for every individual who has an ownership interest or financial interest, either directly or indirectly through an entity, as defined in O.A.C. 3796:1-1-01, in the Applicant’s business or will directly or indirectly participate in the management of the operation. If the financial interest is in an entity, provide the individuals with an equity or profit interest in the entity. Attachment IK is to be completed for each individual listed. Entries in the Identifier Legend column (Person A, Person B, etc.) must be used in place of an individual’s name if that individual is referenced in Section 2 of the application.

<table>
<thead>
<tr>
<th>Identifier Legend</th>
<th>Name (First, Middle, Last)</th>
<th>Role</th>
<th>% Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ex: Person A</td>
<td>John Q. Public</td>
<td>Owner</td>
<td>5%</td>
</tr>
<tr>
<td>CEO</td>
<td>Be Shanda Grace-Bridges</td>
<td>MGR</td>
<td>0%</td>
</tr>
<tr>
<td>CFO</td>
<td>Mark Nelson</td>
<td>MGR</td>
<td>0%</td>
</tr>
<tr>
<td>CCO</td>
<td>Melinda Warthman</td>
<td>MGR</td>
<td>0%</td>
</tr>
<tr>
<td>COO</td>
<td>Jason Wilson</td>
<td>MGR</td>
<td>100%</td>
</tr>
<tr>
<td>Director of Cultivator</td>
<td>Steven Asplaughe</td>
<td>MGR</td>
<td>0%</td>
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### Additional

<table>
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<th>Names (First, Middle, Last)</th>
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</table>
1J Organizational Chart Cover Page
3796:2-1-02(B)(2)(e), 3796:2-1-03(B)(1)(b)

Submit an organizational chart of the proposed cultivation business. At a minimum, include representation of all principal officers, board members, and any other individual associated with the cultivation business.

Names on the organizational chart should match those listed on Attachment II.

Organizational chart should be represented on 8.5 x 11 pages and may use multiple pages to represent all individuals. Chart may be presented either in portrait or landscape views.

Chart should be clearly marked and legible.

Include this cover page.
1K Individual Background Information Form
(3796:2-1-02(B)(2), 3796:2-1-03(A))

To be Completed by each Individual Owner or Officer as listed on Attachment 11

Name of Individual
Jason Wilson

Title (if applicable)
Managing Member

Role (Owner, Officer, etc.)
Chief Security Officer

Mailing Address
5575 Ross Rd

City:
Tipp City

State:
Ohio

Zip Code:
45371

Phone Number:
937-604-8209

Email Address:
jwilson@paragonohio.com

☐ I understand that the Department may review criminal background records for purposes of evaluating my suitability to participate in the medical marijuana program, I hereby authorize the release of any and all information of a confidential or privileged nature to the Department and its agents (3796:2-1-02(B)(2)(f)).

☐ I certify that I have not been convicted of any disqualifying offense as described in Chapter 3796 of the Ohio Administrative Code (3796:2-1-03(A)(2)(a)).

☐ I certify that I am not a physician who has been certified or applied for certification to recommend medical marijuana under Chapter 4731.30 of the Revised Code (3796:2-1-03(A)(2)(b)).

☐ I certify that I have no ownership investment interest, or a compensation arrangement with a laboratory licensed under Chapter 3796 of the Administrative Code or an applicant for a license to conduct laboratory testing (3796:2-1-03(A)(5)).

☐ I certify that I acknowledge that no owner or officer may have a financial interest in more than one provisional license or cultivator certificate of operation at any time (3796: 2-1-04(D)). If any owner or officer is included on more than one applicant’s application, the Department will deny both applications.

☐ I certify that I am in compliance with all provisions of Chapter 3796 of the Administrative Code regarding prohibited license holders and that the information I have provided is true and correct.

☐ I hereby authorize the Ohio Department of Taxation and any of its agents and/or employees to release information to the Ohio Department of Commerce. These records and information shall be limited to the information obtained and maintained by the Ohio Department of Taxation and shall not contain any federal tax information as defined in I.R.C. 6103 and received from the Internal Revenue Service. I expressly waive the confidentiality provisions of the Ohio Revised Code, which would otherwise prohibit disclosure, and agree to hold the above-

MMCP-C-1001A (v1.1), Ohio Cultivator Application – Filing/Identifiers
referenced organizations harmless with respect to the disclosure herein. I certify under the penalties of perjury that I am the taxpayer identified below.

Signature: ____________________________ Date: 20 May 17

Subscribed and sworn to before me this 20th day of May, 2017.

JANET L. SCHOENING, Notary Public
In and for the State of Ohio
My Commission Expires Nov. 1, 2017

NOTARY PUBLIC
1K Individual Background Information Form
(3796:2-1-02(B)(2), 3796:2-1-03(A))

To be Completed by each Individual Owner or Officer as listed on Attachment II

<table>
<thead>
<tr>
<th>Name of Individual</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Re'Shanda Grace-Bridges</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Title (if applicable)</th>
<th>Role (Owner, Officer, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>Administrative Manager</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mailing Address</th>
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</tr>
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<tbody>
<tr>
<td>1362 Granite Peak Way</td>
<td></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miamisburg</td>
<td>OH</td>
<td>45342</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Phone Number</th>
<th>Email Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>2106300600</td>
<td><a href="mailto:rgracebridges@gmail.com">rgracebridges@gmail.com</a></td>
</tr>
</tbody>
</table>

☒ I understand that the Department may review criminal background records for purposes of evaluating my suitability to participate in the medical marijuana program, I hereby authorize the release of any and all information of a confidential or privileged nature to the Department and its agents (3796:2-1-02(B)(2)(f)).

☒ I certify that I have not been convicted of any disqualifying offense as described in Chapter 3796 of the Ohio Administrative Code (3796:2-1-03(A)(2)(a)).

☒ I certify that I am not a physician who has been certified or applied for certification to recommend medical marijuana under Chapter 4731.30 of the Revised Code (3796:2-1-03(A)(2)(b)).

☒ I certify that I have no ownership investment interest, or a compensation arrangement with a laboratory licensed under Chapter 3796. of the Administrative Code or an applicant for a license to conduct laboratory testing (3796:2-1-03(A)(3)).

☒ I certify that I acknowledge that no owner or officer may have a financial interest in more than one provisional license or cultivator certificate of operation at any time (3796:2-1-04(D)). If any owner or officer is included on more than one applicant’s application, the Department will deny both applications.

☒ I certify that I am in compliance with all provisions of Chapter 3796. of the Administrative Code regarding prohibited license holders and that the information I have provided is true and correct.

☒ I hereby authorize the Ohio Department of Taxation and any of its agents and/or employees to release information to the Ohio Department of Commerce. These records and information shall be limited to the information obtained and maintained by the Ohio Department of Taxation and shall not contain any federal tax information as defined in I.R.C. 6103 and received from the Internal Revenue Service. I expressly waive the confidentiality provisions of the Ohio Revised Code, which would otherwise prohibit disclosure, and agree to hold the above-
referred to organizations harmless with respect to the disclosure herein. I certify under the penalties of perjury that I am the taxpayer identified below.

Signature: ____________________________ Date: 5/30/17

Subscribed and sworn to before me this 30 day of May, 2017

Amanda Better NOTARY PUBLIC

Commission expires March 28, 2022
1K Individual Background Information Form
(3796:2-1-02(B)(2), 3796:2-1-03(A))

To be Completed by each Individual Owner or Officer as listed on Attachment 11

Name of Individual
Melinda Warthman

Date of birth:

Title (if applicable)
Compliance Officer

Role (Owner, Officer, etc.)

Mailing Address

City:

State: Zip Code:

Phone Number:

Email Address:

☐ I understand that the Department may review criminal background records for purposes of evaluating my suitability to participate in the medical marijuana program, I hereby authorize the release of any and all information of a confidential or privileged nature to the Department and its agents (3796:2-1-02(B)(2)(f)).

☐ I certify that I have not been convicted of any disqualifying offense as described in Chapter 3796 of the Ohio Administrative Code (3796:2-1-03(A)(2)(a)).

☐ I certify that I am not a physician who has been certified or applied for certification to recommend medical marijuana under Chapter 4731.30 of the Revised Code (3796:2-1-03(A)(2)(b)).

☐ I certify that I have no ownership investment interest, or a compensation arrangement with a laboratory licensed under Chapter 3796 of the Administrative Code or an applicant for a license to conduct laboratory testing (3796:2-1-03(A)(5)).

☐ I certify that I acknowledge that no owner or officer may have a financial interest in more than one provisional license or cultivator certificate of operation at any time (3796:2-1-04(D)). If any owner or officer is included on more than one applicant’s application, the Department will deny both applications.

☐ I certify that I am in compliance with all provisions of Chapter 3796 of the Administrative Code regarding prohibited license holders and that the information I have provided is true and correct.

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referenced organizations harmless with respect to the disclosure herein. I certify under the penalties of perjury that I am the taxpayer identified below.

<table>
<thead>
<tr>
<th>Signature:</th>
<th>Date</th>
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<tbody>
<tr>
<td>Melinda Waithman</td>
<td>5-30-17</td>
</tr>
</tbody>
</table>

Subscribed and sworn to before me this 30 day of May, 2017.

Amandla Bette
NOTARY PUBLIC

Commission Expires March 28, 2022
Steven Alspaugh

Role (Owner, Officer, etc.)
Master Grower

Mail Address:

City:
State:
Zip Code:

Phone Number:

Email Address:
Salspaugh@paragonohio.com

☑ I understand that the Department may review criminal background records for purposes of evaluating my suitability to participate in the medical marijuana program, I hereby authorize the release of any and all information of a confidential or privileged nature to the Department and its agents (3796:2-1-02(B)(2)(f)).

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referenced organizations harmless with respect to the disclosure herein. I certify under the penalties of perjury that I am the taxpayer identified below.

Signature: ____________________________

Date: 5-31-17

Subscribed and sworn to before me this 31 day of may, 2017

Amanda Bettem
NOTARY PUBLIC

Commission Expires
March 28, 2022
1K Individual Background Information Form
(3796:2-1-02(B)(2), 3796:2-1-03(A))

To be Completed by each Individual Owner or Officer as listed on Attachment II

Name of Individual
Mark Nelson

Date of birth: [Redacted]

Title (if applicable) Officer

Mailing Address [Redacted]

City: [Redacted] State: [Redacted] Zip Code: [Redacted]

Phone Number: [Redacted] Email Address: mnelson@paragoniohio.com

☐ I understand that the Department may review criminal background records for purposes of evaluating my suitability to participate in the medical marijuana program, I hereby authorize the release of any and all information of a confidential or privileged nature to the Department and its agents (3796:2-1-02(B)(2)(f)).

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☐ I certify that I am not a physician who has been certified or applied for certification to recommend medical marijuana under Chapter 4731.30 of the Revised Code (3796:2-1-03(A)(2)(b)).

☐ I certify that I have no ownership investment interest, or a compensation arrangement with a laboratory licensed under Chapter 3796. of the Administrative Code or an applicant for a license to conduct laboratory testing (3796:2-1-03(A)(5)).

☐ I certify that I acknowledge that no owner or officer may have a financial interest in more than one provisional license or cultivator certificate of operation at any time (3796: 2-1-04(D)). If any owner or officer is included on more than one applicant’s application, the Department will deny both applications.

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referred. I certify under the penalties of perjury that I am the taxpayer identified below.

<table>
<thead>
<tr>
<th>Signature:</th>
<th>Date</th>
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<tbody>
<tr>
<td></td>
<td>6-5-17</td>
</tr>
</tbody>
</table>

Subscribed and sworn to before me this 5th day of June, 2017.

(SIGNATURE)

(SIGNATURE)

(SEAL)
## IL Business in Other Jurisdictions Form

**3796:2-1-02(B)(2)(g)**

<table>
<thead>
<tr>
<th>State</th>
<th>Type</th>
<th>Dates of Issue/Expiration</th>
<th>Number</th>
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</thead>
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<td></td>
</tr>
</tbody>
</table>

- I certify that, to the best of my knowledge, no owner or officer has received any revocation or suspension for any licensure related to the distribution of marijuana. *(3796:2-1-02(B)(2)(j)(iii))*

- I hereby specifically grant permission to the above listed states or jurisdictions and their licensing agency or authority to release to the Ohio Medical Marijuana Control Program any and all information relating to the application, licensure or authorization to produce or otherwise deal in the distribution of marijuana in any form, including the following:
  a. Any denial, suspension, revocation or other significant sanction of the application, license, or authorization, and
  b. A copy of documentation so indicating; or
  c. A statement that the applicant was so licensed or authorized and was never sanctioned. *(3796:2-1-02(B)(2)(j)(ii))*

- I certify that, to the best of my knowledge, the attached documentation indicates proof of tax compliance for individuals and businesses at the state level for all jurisdictions outside the State of Ohio in which applicant has operated as a business. Acceptable documentation includes tax summary pages or a valid certification indicating tax compliance issued by the appropriate taxation authority. This documentation shall be provided for every person or entity with a financial interest of one percent or greater in the applicant covering the three years before the filing of the application. **Please note that any information provided by the applicant, including tax returns from other jurisdictions, would be considered a “public record” as defined in R.C. 149.43(A)(1).**
Ohio Department of Commerce

Medical Marijuana Control Program (MMCP)

Signature:   Date:  6/3/2017

Subscribed and sworn to before me this 6th day of June, 2017.

(SEAL)

Notary Public
1M Copies of Licenses from Business in Other Jurisdictions Cover Page
3796:2-1-02(B)(2)(j)(i)

☐ Applicant has licenses from one or more businesses in other jurisdictions. License copies are attached after this cover page.

☒ No license copies are attached.

Mark one of the boxes above.

Include this form in application even if no license copies are attached.
1N Tax Payment Records Cover Page
3796:2-1-02(B)(6)(e), 3796:2-1-03(A)(6), 3796:2-1-03(B)(5)(e)

Attach a record of tax payments in the form of tax summary pages or a valid certification indicating tax compliance issued by the appropriate taxation authority for individuals and businesses at the state and federal level and in all jurisdictions in which an applicant has operated as a business for every person with a financial interest of one percent or greater in the applicant for the three years before the filing of the application. **Please note that any information provided by the applicant, including tax returns from other jurisdictions, would be considered a “public record” as defined in R.C. 149.43(A)(1).**

Include this cover page.
June 6, 2017

To Whom It May Concern:


Please don’t hesitate to contact me at the address and/or phone number above if you need additional information.

Sincerely,

[Signature]

Jahice L. Shannon, CPA
**Ohio Department of Commerce**

**Medical Marijuana Control Program (MMCP)**

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**10 Disadvantaged Group Applicant Form**  
3796:2-1-03(C)(1)(a), 3796:2-1-03(C)(4)(a)(i), 3796:2-1-03(C)(4)(b)

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<table>
<thead>
<tr>
<th>To be Completed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Individual or Entity Applying for a Medical Marijuana Cultivator Certificate of Operations:</td>
</tr>
<tr>
<td>Paragon Development Group, LLC</td>
</tr>
</tbody>
</table>

---

**Indicate which (if any) of the following additional criteria apply:**

- [x] I certify that the principal place of business and headquarters of this organization is Ohio. (3796:2-1-03(C)(1)(a))

- [x] I certify that the applicant’s business is owned and controlled by a U.S. citizen who is a resident of Ohio and is a member of one of the economically disadvantaged groups set forth in division (C) of section 3796.09 of the Revised Code. For purposes of this section, “owned and controlled” means that at least fifty-one percent of the business, including corporate stock in a corporation, is owned by persons who belong to one or more of the groups set forth in the rule, and that those owners have control over the management and day-to-day operations of the business and an interest in the capital, assets, and profits and losses of the business proportionate to their percentage of ownership. (3796:2-1-03(C)(4)(a))

- [ ] I certify that the applicant’s business is owned and controlled as a woman-owned business by a U.S. citizen who is a resident of Ohio. principal place of business and headquarters of this organization is Ohio. For purposes of this section, “owned and controlled” means that at least fifty-one percent of the business, including corporate stock in a corporation, is owned by persons who belong to one or more of the groups set forth in the rule, and that those owners have control over the management and day-to-day operations of the business and an interest in the capital, assets, and profits and losses of the business proportionate to their percentage of ownership. (3796:2-1-03(C)(4)(b))

Note: Additional criteria, as described in 3796:2-1-03, may be submitted in Section 2 of the Ohio Cultivator Application Filing Packet. See MMCP-C-1001B.

---

<table>
<thead>
<tr>
<th>Signature:</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Signature]</td>
<td>[6 June 17]</td>
</tr>
</tbody>
</table>

* The members of the economically disadvantaged groups must be identified in Form 1I along with their percentage of ownership.
**1P Entity Identifier Legend**

In addition to Form 11 Owners and Officers Roster Form for individuals, entries in the Entity Identifier Legend must be used in place of an entity’s name for any entity that is referenced in Section 2 of the application.

<table>
<thead>
<tr>
<th>Identifier Legend</th>
<th>Entity Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example: Entity A</td>
<td>ACME Construction</td>
</tr>
<tr>
<td>Example: Entity B</td>
<td>Capital Investors, LLC</td>
</tr>
<tr>
<td>The Company</td>
<td>Paragon Development Group, LLC</td>
</tr>
<tr>
<td>&quot;we,&quot; &quot;us&quot;</td>
<td></td>
</tr>
<tr>
<td>Management Company</td>
<td>STWC Holdings, Inc.</td>
</tr>
</tbody>
</table>
The undersigned is an Applicant for a medical marijuana cultivator license. The Applicant understands that the Department of Commerce is an entity of the State of Ohio and any documents or data submitted to the State of Ohio may be disclosed by the State pursuant to an Ohio Public Records Act request.

While the Ohio Public Records Act permits certain exclusions from disclosure, Applicant understands the State makes no guarantee or promises that such data will not be disclosed. Applicant has reviewed the Ohio Public Records Act, as well as relevant case law.

Applicant understands that the documents or data it provides to the State of Ohio may not be confidential, or if confidential, may or may not be disclosed pursuant to an Ohio Public Records Act request.

Applicant understands that there are additional requirements in order to claim a trade secret or infrastructure record exception. Applicant understands that materials consisting of trade secrets or infrastructure records must be clearly marked, specifying the pages of the application submission that are to be restricted and justifying the trade secret designation or infrastructure designation for each item.

Signature of Person or Authorized Representative

Date

6 June 17

Printed Name of Applicant

Jason Wilson
Part I: Experience in Business

We have assembled a diverse team, with exceptional qualifications, leadership experience, and demonstrated success in starting and operating new business ventures. The team is made up of five people, four of whom are local to the intended cultivation site. If granted a license, this team would be able to immediately start preparing our selected facility while other teams would have to start with relocation. This narrative will explain each team member’s qualifications and experience, with a final summary that ties together their combined skills that give rise to a strong likelihood of success.

Chief Executive Officer

Our CEO is a well-educated, minority woman who is currently finishing her Ph.D. Currently, she works as the Director of New Student Programs for a local university. She is responsible for all aspects of planning, facilitating, managing, and assessing programs and services that support the transition of new students and their families into the university community. These programs and services accommodate approximately 2,200 first-year students, 100 transfer students, and several thousand family members. The CEO is ultimately responsible for the recruitment, selection, training, and evaluation of all staff members. She oversees a staff of nearly 90 people. In addition to managing a complex team with individualized and specific goals, she also manages a large budget; she has fiscal oversight of over $750,000.00.

The CEO also has experience operating a small business. She owns a home-based travel agency. She offers a broad range of services, including land packages, cruises, honeymoons, and group trips. She has operated this business for eight years and has numerous clients in several different states. She enjoys serving her clients by creating memorable and affordable vacations. Even though she is not required to have a license for this position, she took it upon herself to complete a course with the Travel Agent Training Center in order to provide the best possible service to her clients. We value her dedication to serving others, and are excited to see that motivation in play when she begins leading our cultivation team.

Since 1997, she has been a member of the Association for Orientation, Transition, and Retention in Higher Education, (NODA). She has served multiple roles within that organization for the past twenty years. She has presented numerous educational sessions at regional and annual conferences. In 2015, she received the NODA Outstanding Orientation, Transition and Retention Professional Award. This year she received the NASPA “Phenomenal Woman in Higher Education Award,” and the “Woman of Distinction Award” from the university where she works. She is also a member of the Delta Sigma Theta Sorority, which is the largest African American sorority.

Our CEO has worked in the student affairs sector of education for the past twenty years. She believes that education has the power to transform individuals, and she enjoys the challenge of serving a demographic that changes significantly every year. Our team and our management company are all impressed by her dedication to service to others. Our cultivation facility offers boutique cannabis; made naturally and lovingly in small batches, with the intent to provide high-quality medicine to our patients. We do not have the capacity to offer a wide range of products. We have to tailor our products by
offering quality over quantity. We believe that the CEO has the right personal motivations as well as the right experience to be highly effective at leading our team and creating medicine for Ohioans. We are ecstatic to have her in a role where her experience and dedication to service will help us serve all of Ohio.

Chief Financial Officer
The CFO is a serial entrepreneur with nearly thirty years of business experience. His career began in 1991 doing outside sales for a cable company. Only two years later, he left that company to start his own cable service and installation company. That company grew very quickly, and at its peak it was providing door-to-door sales services to eleven different cable companies in ten different states. In 1999 he started a similar company which, in 2003 was the largest installation contractor in the nation for a premier cable company. In 2003, the CFO pioneered another company that provided administration and accounting services to cable contractors. This company also pioneered a signal theft reduction method. The CFO’s largest company had over 300 employees before it was sold in 2008.

We are pleased that our CFO has so much experience creating and operating new business ventures. Even talented accountants are not always skilled or comfortable in the hectic environment of a start-up operation. Our CFO is passionate about compliance, facts, and figures. He is a self-described “rule person.” He believes that compliance is one of the best (and one of the most ignored) ways to keep a business in business. He believes that “if you follow the rules, and do the right thing, then good things will happen.” He also enjoys the challenge of a juvenile business. For him, establishing good patterns that will later be relied upon as practice, is more rewarding than working in an established business. Our CFO truly thrives in the controlled chaos of a new venture. This is why we believe he’ll be able to guide our finances and our business from “early uncertainty” into “tried and tested stability.”

Chief Compliance Officer
Our Chief Compliance Officer is a licensed attorney who works as a compliance coordinator and records manager at a university. Astoundingly, she completed law school in only two years, (typically it requires at least three years), all while caring for two small children at home. Our CCO is not intimidated by hard work, and enjoys the challenge of learning new things. We are happy and grateful that she has chosen to join our team, since those skills will be put to very good use once we are granted a license.

The CCO’s current role is remarkably similar to the role she’ll occupy within our company, which gives us a great deal of confidence in her ability to properly manage all records and keep us compliant with all ordinances and regulations. Right now, she manages records for a public university. She is entrusted to collect, classify and count various pieces of data in order to create reports in order to maintain compliance with federal law. In the past she has designed and maintained organizational structures and strategies. She has the ability to cull information stored in those systems to produce necessary reports. She is a strong eye for detail and is not intimidated by voluminous records, or onerous regulations.

She is also a part of several organizations that better her community. For the past ten years, she has been a member of Soldiers’ Angels, which is a national organization that offers support to deployed service
members and their families. More recently, she began volunteering with a local organization that provides new, properly-sized, athletic shoes to children in need. Shoes are given out as part of a yearly event, and occasionally, (and heartbreakingly), children come to the event wearing the shoes they were given at last year’s ceremony. She also volunteers at her children’s schools, and has filled a variety of roles there including a Homeroom Mom, a Library Volunteer, and a Dance Chaperone. Lastly, our CCO is a member of two local bar associations and assists with ethics interviews for incoming bar members.

On top of having highly relevant skills, our CCO is actively involved in the betterment of her community. We admire her ability to create reports based upon thousands of pages of documents. This attention to detail will serve us well in the early stages of our development, when it is most important to create good recording habits.

**Chief Operations Officer**
The COO began his career in 1993 when he joined the navy. He enlisted as an electronic technician, and maintained a 98.7 GPA while in school. While serving he was a part of the Navy Wrestling Team, where he enjoyed competing up until his ship was deployed to Haiti. He was attached to a Seal Team during that deployment until they began taking hostile fire and the COO was hit in the chest. He was evacuated to southern Florida, and then did his rehabilitation from a hospital in Virginia. The COO is affected by PTSD and seizures that stem directly from being wounded in Haiti. The entire team respects his sacrifice to our nation’s safety and we are honored that he has chosen to join his team.

After separating from the navy in 1996, he struggled to find gainful employment due to his frequent seizures. He decided that the best course of action would be to start his own company doing cable installation and repairs. This company was operational from 1998 until 2002 and employed fifty-seven contractors at its height. In 2003 he began another company specializing in satellite repair and installation. This company is still operational today and employees twenty-three contractors. In 2015 the CCO and the CFO met through their mutual industry. They work well together and have a great deal of mutual respect. They are looking forward to working together on their newest endeavor.

Our CCO is a driven leader; he proven that he has the ability to motivate himself as well as other people. In his current occupation he manages frequent staff changes, and large volumes of data, while simultaneously protecting his company’s bottom line. Many disabled veterans struggle to find work through no fault of their own. When faced with that daunting situation, he went into business for himself. Over the course of his career, he has employed nearly one hundred people. His adaptability and his drive to create something greater than the sum of its parts are what assures us that he will be quite capable of managing operations for this new business.

**Director of Cultivation**
The Director of Cultivation is a young man who learned to cultivate marijuana in a state that permits legal marijuana. He started as a trimmer, and over the course of two years he worked his way up to cultivation manager. The fact that he started with an entry-level position means that he has experience in nearly all aspects of cultivation. This is highly desirable – our other team members are leaders in their
respective fields, but none of them has direct experience with medical marijuana. He will be able to provide valuable guidance while other teams are trying to iron out inconsistencies.

The Director of Cultivation is familiar with IPM (Integrated Pest Management), fertilizers and nutrients, as well as proper lighting techniques and watering techniques. We are overjoyed to employ a cultivation director who already has experience cultivating marijuana. In a state like Ohio, many teams are probably struggling to find someone who has legally cultivated. We face no such challenge and are excited to be able to hit the ground running, without any early glitches.

The Complete Team
We have assembled a team with a wide breadth of experience. Three members of the team have owned and operated their own businesses. One member already has direct experience cultivating medical marijuana. Our Chief Executive Officer has leadership experience, budget management experience, and will be able to guide our team from uncertainty in a new market to an established, respected company. The Chief Financial Officer has a lot of experience starting and operating new ventures, and we are confident that his knowledge will be an asset to our nascent business.

Our Chief Compliance Officer already has experience managing and organizing voluminous records. This team will be able to handle any complications or difficulties encountered. In addition to being exceptionally well-qualified, these individuals are upstanding people, motivated to help their fellow citizens. The Chief Operations Officer is a disabled veteran who has struggled with Post-Traumatic Stress Disorder. He is excited to have the opportunity to help other veterans like himself. Ohio includes PTSD as a qualifying condition, and the COO feels that many veterans will be able to benefit.

Lastly, we have partnered with a management company that has been operating in their state for several years. Even though our Director of Cultivation has very recent experience with cultivation, we are happy to work with a company that will be available whenever the need arises.

Part II: Business Model
Company Description
Although the company is a newly formed entity, the managing members acknowledge the need for experienced management, strong operational knowledge and attention to regulatory compliance on a day-to-day basis to ensure success. To do this, we have contracted a cannabis consulting firm with over seven years of operational experience; working in highly regulated medical and recreational cannabis markets.

Keys to Success
Our company’s members past business experience and financial success, combined with its management company’s experience in the financial requirements of operating a successful medical cannabis company, including the intricacies of federal and municipal taxes, human resource demands, and compliance with ever-changing state, local and federal regulations makes them uniquely qualified to succeed in Ohio.
We recognize that the cannabis market and legitimacy of the industry depends on workable regulatory models that address public safety and consumer needs and the public perception thereof without preventing growth and innovation.

The accomplishment of our company is outlined in this plan however, the members recognize that the attainment of the plan is ultimately determined by its implementation. We acknowledge this and have contracted with a management company to ensure that all operations, processes, regulatory compliance and employees are effective in meeting these goals.

Proven Business Model
The Management Company’s business model is one of the most successful cannabis business models in the country. They are unique in that they employ a model tailored with accountability, inventory control, preventing diversion, and a superior customer experience.

Their model provides growers with expertise on how to grow 50+ strains of a wide variety of high quality cannabis, including 3-5 strains with extremely elevated levels of CBD which has proven very helpful to a large segment of the medical cannabis patient market. They have consulted for cultivators with annual sales of well over $10 million dollars.

This significant industry experience means, when paired with our new company, puts us in a strong position to be successful in Ohio having been established by and currently operated by successful entrepreneurs and cannabis industry leaders. We also benefit from years of legal and operational experience and a proven track record of providing cultivators with a robust compliance model. Our experienced and diverse team, and our tested proven business model will ensure a functional and financially stable operator. We have the needed experience of navigating through an ever-changing regulatory system and changing market environment.

The Business

Mission Statement
Our company aims to advance the quality of life for all patients by reducing suffering and improving the health and happiness of our community. This can be achieved through high-quality, safe medical cannabis products.

Through documenting our Mission Statement, Policies and Standard Operating Procedures, we provide our employees a roadmap to success. By utilizing every tool and resource available, we empower every employee to cultivate only the highest quality cannabis to best sold into the commercial cannabis marketplace.

The Industry
Last year (2016) was a landmark year for the legal cannabis market. Per ArcView, North American consumers spent upwards of $7.2 billion on legal cannabis products. This is up a remarkable 34% from 2015. Momentum for some form of cannabis legalization seems to have reached a fever pitch, and current trends suggest it will continue at a brisk pace for the near future. National sales were fueled by
explosive growth in the adult-use market which grew from $373.80 million in 2014 to $4.7 billion in 2016; a growth rate of over 230%. By 2025 combined legal market sales are expected to surpass $24 billion.

In the 2016 election cycle, more states passed laws to open new markets and/or expand existing ones in 2016 than in any previous year in history. These new markets will continue to expand revenue growth in the years ahead. The legislatures of Pennsylvania and Ohio legalized medical cannabis, while voters in California, Maine, Nevada, and Massachusetts passed adult-use initiatives. Additionally, Arkansas, North Dakota, Florida, and Montana voters passed medical cannabis laws.

Currently, twenty-nine states allow for medical cannabis and eight states, including The District of Columbia, allow adult-use. Last year was a tipping point in which much of the United States voted to transition from prohibition to some form of a legal market. With the addition of California, the entire West Coast has now legalized medicinal cannabis. In addition, 21% of the entire U.S. population lives in states that now have adult-use programs.

The new administration’s position on cannabis legislation and the actions they take are poised to have a dramatic effect on the industry moving forward. However, the cannabis industry is becoming more and more attractive to investors due to the high growth rates. The current stance by the federal government, although uncertain, will likely make it easier for existing and newly licensed medical cannabis businesses to raise funding, as some investors worried about a crackdown on the recreational side of the industry might shift their focus to medical. With potentially large profits to be made, savvy investors are continually looking for innovative ways to capitalize on the growth of the legal cannabis marketplace.

California is currently the largest medical market in the country with an estimated $3,000,000,000 in annual sales for 2016. This represents 62% of the national medicinal market. This market has a growth rate of up to 19.3%, to over $6,600,000,000 within the next 5 years.

States such as California, that have had a long standing medical cannabis program, are extremely competitive. For new businesses to succeed in this type of marketplace, they need to have experience with sophisticated patients, a large and diversified product range, knowledge of up and coming consumption methods and a keen awareness of new cannabis products.

The Company

Although the company itself is a new entity in medical cannabis commerce, the management company is not. The management company’s corporate office is comprised of experienced professionals who lead the way in managing production and cultivation, retail operations, facilities management, inventory tracking and procurement, accounting, information technology and compliance.

We intend to utilize the management company’s current successful business model based upon compliance, inventory control, industry best practices and customer service to provide diverse, high-quality, and tested products to patients. Within this model, they will cultivate specific strains appealing to both budget conscious and sophisticated patients alike. Indeed, we recommend a multi-level pricing system offering cannabis flower and byproducts at a range of costs, representing the best value in the
industry. We also intend to offer shake, which is a low-cost item that provides an excellent value to the patient. In contrast, to cater to high-end patients, we intend to offer proprietary strains which are hard-to-find genetics, or of a particularly outstanding quality with high cannabinoid test results. These are higher priced, but appeal to the sophisticated consumer much more than average flower.

**Facility Location**

We are pursuing one Medical Cannabis Cultivator License – Level II for a cultivation facility from the State of Ohio. This building meets all the zoning setbacks and requirements per the current regulations set forth by the city and state.

We want to enhance the community by incorporating high-end design, sophisticated landscaping, xeriscaping, elegant signage, and visually pleasing form and character. With experience in real estate development, our team is well equipped to materially improve the property. Our cultivation facilities presence will blend into the landscape and not attract undue attention. For these reasons, we are uniquely qualified to succeed in Ohio and can not only meet the needs of the city and state, but can raise the standard.

**Unique Features**

Our business focus is steeped in a commitment to community service. As demonstrated by the Corporate Mission Statement, we have a passion for serving the community and providing the safest and highest quality cannabis available.

**Grow Experience**

Our Management Company has considerable understanding of the cultivation and horticultural process of running a successful grow facility. They will provide us with state-of-the-art grow facility with techniques and processes that cultivate the finest soil-based grown cannabis in the state. Starting with proprietary genetics, we will clone from healthy and vigorous first-generation mother plants. We put into production only the fastest-growing and highest-yielding strains to maximize every square foot of cultivation space. And we focus our efforts on producing the highest CBD plants to meet the diverse needs of our medical cannabis patients.

Our facility design, techniques, and best practices will consistently produce a diverse group of high cannabinoid profile strains, garnering an excellent reputation in the industry. In fact, cannabis produced by our cultivators regularly commands premium prices on the wholesale market and is highly sought after by patients.

Our management company’s cultivation design team provides grow facilities with the ability to control all environmental variables, thereby maximizing the yield of each plant. They have created efficient conditions, including top-of-the-line nutrient plans, standardized feeding regimens, sophisticated irrigation systems, and strictly enforced harvest schedules to ensure a quality product and on-time inventory supply.
From harvest to packaging, our repeatable, written standard operating procedures dictate quality control procedures resulting in world-class cannabis. Quality and consistency enables us to create loyal customers. We employ specific curing techniques curing flower for a minimum of fourteen days in environmentally controlled cure rooms to ensure all moisture is properly removed from the product before it is transported out of the facility to a retail dispensary. These proven, replicable processes result in significant good will with patients.

**Corporate Culture and Decision Making**

The centralized administration of our management company’s corporate offices coordinates and connects every division, department, manager and employee within the company. All high-level administrative functions, staff recruiting, marketing and licensing/compliance duties will be handled from the corporate offices. Each branch of the corporate structure supports one another to create efficiency, which in turn increases profitability and patient satisfaction.

Starting from the top down, our management company’s qualified executives have numerous years of business and cannabis industry experience. They provide the educational base and knowledge needed to succeed nationwide in the industry. This business maturity combined with competent managerial staff creates a clear pathway to success. Additionally, we pair this solid corporate structure with a stringent hiring and training process to employ strong personnel at all levels.

Because our regulatory compliance is a cornerstone of the industry, we integrate the many layers of compliance and clear communication in all of the daily operations. Our executives spend a good portion of their time examining data, working directly with department heads, reading about industry trends, reviewing policies and procedures and keeping on top of the ever-changing regulations. By thoroughly analyzing this data we are able to make strategic decisions for each licensee and business. These decisions are then carried out smoothly and efficiently at all levels to continue to carry out the vision and goals on a daily basis.

This corporate base and ability to be agile in an ever-evolving industry will provide a competitive advantage over smaller collectives and companies that are not able to operate with such a turn-key solution. With a solid foundation of corporate culture and decision making practices in place, we are poised to continue to lead the industry in innovation, profitability and patient satisfaction.

**Key Management and Staffing Strategy**

We understand that to not only to achieve success, but to stand out in a highly regulated and constantly evolving industry, the team needs several vital components: successful experience, advanced knowledge of security issues and procedures, developing and sourcing new strains as the patient needs change, developing strict loss prevention procedures and developing partnerships with expertise to navigate and work within the regulatory landscape. Our management company has the experience of helping businesses from the ground up and providing all the Standard Operating Procedure and manuals needed.
Staffing Plan
Our company is an equal opportunity employer and does not discriminate. Because of this, we will strive to have our cultivation, harvest, cure/package staff and management come from diverse genders and backgrounds.

All employees hired to work in the facility will need to be at least 21 years of age and have a clean criminal history. We will pull these employees directly from the local community. Although the minimum wage in Ohio is currently $8.15/hour, we are happy and eager to increase the minimum wage paid to $12.00/hour. This will drastically increase the number of applicants there by increasing the quality of employee.

In addition to higher wages, we intend to utilize a variety of strategies to ensure non-exempt employee retention such as paid time off, health and dental insurance, vision benefits, 401k and generous product discounts. We plan to incentivize the staff, that we have invested in, to remain with the company. This vast pool of qualified employees ensures that only trained professionals fulfill the duties of each specific role within the facility.

Focusing on the day-to-day operations is important for everyone in the company. Ensuring all employees are managed correctly and communication is clear is the only way to effectively operate in a highly regulated industry. Training is a large component is making this happen.

Cultivation Plan
Environmental Controls
To produce optimal quality products, the Director of Cultivation must strictly control the environmental factors, including the water that enters the facility, the grow medium (also known as soil and the nutritional additives that go into it), the humidity, and even the air that enters. The facility requires a constant and standard state of cleanliness, as well. We intend to grow all our own medical cannabis products ourselves and will not accept medical cannabis plants from outside our own operations. This requirement is specifically to ensure that we do not contaminate our cultivation facility with either mold or pest issues.

As for other materials which we use to produce medical cannabis, the Director of Cultivation will carefully inspect materials, such as soil or nutrients, for defects or torn packaging which could indicate contamination. If the facility manager determines that the material received does not pass inspection, it will be returned to the appropriate vendor. Materials will be kept in the segregated quarantine area to prevent any contamination from impacting the rest of the cultivation facility. If materials pass inspection, they will then be integrated into the facility.

Water
Water will come into the cultivation facility from the local municipality. We will filter the water through ceramic and charcoal canister style water filter systems to remove any contaminants in the water such as
softeners, chlorine, or fluoride so that we start our nutrient process with a blank slate. After filtering, we will test the water to determine the pH level. Nutrients will be added to adjust the pH to the desired level; the water will be tested until the desired pH level is reached.

We will use two instruments to help test water quality before feeding it to our plants. The Electrical Conductivity (EC) meter measures Total Dissolved Solids (TDS) which is the best measurement of the nutrient concentration of a hydroponic solution. The TDS is measured via PPM. The Parts per Million (PPM) of the water should be between 650-750, (it varies depending on the flower cycle of the plant). The pH meter measures the pH level and should be between 5.8-6.0.

There are several entities entering the medical cannabis market providing integrated systems which monitor the environmental factors in grow facilities. We will contract with one of them, such as Nanolux’s Cloud Control System, to install a system which will monitor, record and regulate temperature, humidity, ventilation, CO2, pH and nutrient control, water drips and lighting. At the heart of the system is a software program which allows us to specify all the parameters in each flower room. It controls all the selected functions through wireless modem communication. The process includes installing sensors with each thermostat, humidistat, ventilation duct, fan, and lighting control panel. The service provider will constantly monitor the integrated system remotely and will notify us if any of the components behave outside of agreed upon parameters.

**Cleanliness**

The State of Ohio will require an elevated level of cleanliness within a grow facility. We are happy to comply with this; each employee and visitor will be made to understand that we produce medicine for patients, some of whom are seriously or terminally ill. Our products must therefore be treated with a great deal of care and respect. One of the ways we show respect for our patients is by maintaining a constant level of cleanliness to prevent contamination. When we clone or up-pot plants, all equipment and work areas will be cleaned and disinfected with a 10% bleach solution. Irrigation systems used to bring water to plants will be cleaned and disinfected with a 10% bleach solution at least once a month. Pots will be disinfected before being re-used for new crops. Equipment such as trimming scissors and trim machines will be cleaned with alcohol at the end of each day or more often, if needed. Flower rooms will be thoroughly cleaned after each harvest by cleaning the floors, walls and light fixtures with a 10% bleach solution.

We have checklists for all the rooms (i.e. the clone room, veg room, flower room, cure room, processing room) which includes cleaning and maintenance tasks. These checklists are created and maintained by the facility manager. Each day, employees responsible for those rooms note their progress on provided checklists confirming that tasks were completed and. Part of the facility manager’s daily duties are reviewing these checklists to ensure compliance. Tasks include cleaning equipment and tools, cleaning fans and ventilation ducts, and cleaning rooms after harvest. Maintenance tasks include ensuring that equipment such as dehumidifiers, fans, lights, thermostats, and humidistats are kept in working order. These tasks are performed at least monthly by the facility manager. Any issues are reported to cultivation management as soon as they are discovered so that they can be rectified in a timely manner.

We will use an electronic inventory tracking system approved by the state to track plants from “seed to sale.” When a clone is created, the plant receives a tracking number which is affixed to the stem of the
Business Plan

plant. The tracking number allows us to find any plant at any stage of its lifecycle. The inventory tracking system easily tracks when plants have been moved between the veg, flower and cure rooms. We also track which plants are made into which formulations, the date they’re converted and the dispensary they are shipped to. The inventory tracking system also enables us to track weights so that we can analyze yields. It has a comprehensive reporting functionality enabling us to perform regular inventory audits. Furthermore, all the information can easily be shared with the state of Ohio or law enforcement.

Irrigation
The veg room’s plants will be watered every morning. Water should always be at a pH of 5.8 when it leaves the watering area. Growers are attentive to how much each plant is absorbing, and intuitively decide how much water an individual plant needs. Plants will be fed nutrients based on a pre-determined feeding schedule posted at each watering area. If any sort of nutrient deficiencies or toxicities are noticed by any grower, they will report it to cultivation management immediately. Things to watch for include yellowing leaves, brown edges, or dry, wrinkled edges, or anything else that deviates from standard growing characteristics. When watering a room, a grower will first walk the entire room, lift the pots to determine the weight and inspect the color of the soil to gauge water absorption and nutrient intake. The degree of acidity or alkalinity of a solution is identified on the pH scale of 0 to 14 with a pH of 7 being the neutral point. The type of grow medium needs to be considered because some medium retains the pH of the nutrients better than others. Water in reservoirs is generally kept between 70-75°F.

If the temperature in the reservoir exceeds 80°, the water in the reservoir must be cooled before it is utilized for plant needs. Plain water is only given to plants during the end of the flowering phase when they are being flushed prior to harvest. Total Dissolved Solids (TDS) is the best measurement of the nutrient concentration of a hydroponic solution. To estimate TDS, one can use a meter that measures the Electrical Conductivity (EC) of a solution, and convert the measurement to parts per million (ppm), which is how TDS is typically expressed. We will document this information for every feeding that occurs at the facility. Nutrients are added to watering reservoirs at time of feeding. The amount and type of nutrients added is dependent on where the plant is in its growth phase. Different nutrients and pH levels are used to encourage plant growth early in the phase and to encourage flower growth later in the phase.

Propagation
Propagation, or cloning, is one of the critical steps in the full cultivation process. Growers are trained not to take too many cuts at once from the same mother, as a plant must be allowed time to recover between cloning sessions. After all clones are taken, the grower will prune the mother to ensure continuous, healthy growth. The grower will remove all lower growth from the clone, keeping the top two nodes intact, and will cut the stem at a 45° angle.

The clone will be placed in a soil plug, called a rapid rooter, and then placed into a tray with other clones of the same strain. The tray will be labeled with the strain name, and date. Taking cuttings from plants is an extremely delicate process. Growers who take clones need to be careful and most always maintain cleanliness. Our management company has a cloning success rate of 95%. The daily care of clones will include visually inspecting the leaves.
Once planted clones have rooted, they will be ready to be transplanted and transferred to the vegetative room. A plant is ready to be transplanted when it has approximately five inches of dense root growth. The cultivation area, supplies and all tools will be cleaned with a 10% bleach solution prior to each use. The grow medium is prepared by cutting open the bag of grow medium, emptying it into the up-potting tray and adding a five-gallon bucket of water to the mix. The water will be vigorously mixed into the medium until the soil is thoroughly moistened and all clumps are broken apart. The grower will fill a one-gallon pot with grow medium but not pack the pot too densely. The grower will use their fingers to create an indent in the center and place the clone with its soil plug in it, filling the remainder of the hole with grow medium until the plant is stabilized and can stand on its own. The plant will then be tagged with an inventory tracking number and moved to the vegetative room. Lights in the vegetative room, (or veg room), will be illuminated for eighteen hours and off for six hours, (this is done to mimic the long days of summertime). The veg room will be lit with metal halide high intensity discharge lamps. Light hoods will be hung 18” above the plant canopy and hung completely level. Any discrepancies to this requirement will be resolved immediately upon detection. If any lights are not functioning or are functioning improperly, growers will notify cultivation management immediately to avoid interruption. Growers are directed not to attempt to troubleshoot or repair any light or ballast issues without proper safety training and management consent.

Fresh transplants will be arranged side by side on the tray for approximately the first three weeks of their vegetative phase. Once the plants are accepting daily feedings of at least one-half liter, they will be spread to 36 plants per light. Oscillating fans are placed in the rooms, to create a gentle breeze. This movement forces the plants to grow stronger. Fans are cleaned any time that dirt or other buildup is noticed, but no less than every six weeks. Powered exhaust units will draw air from the grow room. The exterior of exhaust units will be cleaned any time that dirt or other buildup is noticed, but no less than every six weeks. If any exhaust units are not functioning properly, growers will notify cultivation management.

Before plants can be moved from the veg room to the flower room, the room must be cleaned. The floor will be swept and mopped, tables will be cleaned with a 10% bleach solution, and all equipment will be sterilized. The grow medium is prepared just as it was before, when clones were transferred to the veg room. The grower will fill a five-gallon pot with grow medium. The grower removes the plant and root ball from the 1-gallon pot and gently massages the root mass to stimulate new root growth. The plant is placed into the five-gallon pot so that the top of the root mass is seated 3’ below the top of the rim. The grower adds grow medium around the plant’s root ball, being careful not to pack it too densely.

Plants will be arranged side by side and spread so that there are four to six plants per light, depending on the plant size and light type. The flower room utilizes oscillating fans in the same manner and for the same purpose as the veg room. Fans will be cleaned any time that dirt or other buildup is noticed, but no less than every six weeks. Powered exhaust units will draw air from the grow room. The exterior of exhaust units will be cleaned any time that dirt or other buildup is noticed, but no less than every 6 weeks. If any exhaust units are not functioning properly, growers will promptly notify cultivation management.

If any sort of nutrient deficiencies or toxicities are noticed by any grower, they will report it to cultivation management right away. Plants will be inspected daily. All yellow leaves will be removed
and put in green waste bins for proper destruction. Growers will constantly check for signs of stress, sickness, or pests to report them with urgency to cultivation management. Early detection of trouble can prevent an inferior crop and expensive losses, since many plant issues tend to affect groups of plants and not just one.

Plants will be pruned regularly so that the plant can focus its energy on the larger branches, and produce bigger flowers. As the plant grows and flowers, it will be either staked or caged. This process helps branches hold the increasing weight of growing flower and prevents breakage, similar to how tomato plants are grown with either stakes or cages. The plant will be flushed of all nutrients and receive plain water seven to ten days before harvest. Removing the larger fan leaves from plants results in a more effective flushing of the plant by directing more energy toward the removal of sugars and starches from the flower. Leaves will start showing purples, pinks, and yellows (autumn colors), denoting that the plant is pulling nitrogen straight from the leaves. This softer form of nitrogen sweetens the flavor of the flower.

**Harvesting, Drying and Curing**

Harvests of rooms will occur approximately sixty days after plants move out of the veg room and into the flower room. The harvest team will sort the plants in the room by strain. Ignoring this step creates extra work later as the team tries to identify plants and collect them for processing. For example, if a dispensary runs out of a popular strain, the dispensary can call our cultivation facility requesting that the specific strain be expedited to meet the needs of patients. Trying to locate plants related to that specific strain among all the plants in the harvest is cumbersome unless they are kept together throughout the process.

A critical step of a harvest is recording the TPW of each plant within one hour of being harvested. Plants begin to lose water weight immediately after being harvested. If plant weights are not recorded until the following day, the results will reflect inaccurate weights, and ultimately inaccurate yields. Once the racks of harvested plants are delivered to the weighing station, each plant’s identification tag is scanned into the electronic inventory tracking system. The plant is then hung from a certified, calibrated, hanging scale and the weight entered into the inventory tracking system. Hanging scales are calibrated every month by state authorized companies. At this point, the employee weighing the plant will also record the strain and license of the plant and ensure that plants of the same strain are being grouped together. Our system to ensure accurate reporting and data analytics has a number of redundant steps built in, of which this is the first. During the harvest, plants can easily be misplaced which is why we have instituted a number of redundancies to provide the best possible medicine for our patients and prevent diversion.

After the plant is weighed, it is hung on a bamboo pole. Only four to five plants will be hung from the same pole so that an adequate amount of air can circulate during the drying process. Hanging too many plants on a pole slows the drying process and may result in uneven drying and could lead to mold growth. Poles are moved from the flower room to the cure room where they are hung, keeping plants together based on license and strain. Plants are reconciled against an inventory report reflecting the number of plants by license and strain. Discrepancies are recorded and reported. A map is created of the cure room to show where each license number and strain is kept. This way, if a dispensary or a state regulator requests to view or inspect a specific license or strain, it will be very easy to do. In addition, the map enables the team to research discrepancies and find potentially “missing” plants.
Upon completion of the harvest, the flower room is cleaned before it is restocked with a new crop of plants. The floors are swept thoroughly and then the floors and walls are cleaned with a 10% bleach solution. Light fixtures are cleaned to remove any dust or particulate matter. Fans will also be cleaned to remove any dust. The growing medium cannot be reused and is discarded in a Green Waste container. Pots will be cleaned to be reused for the next batch of plants. Stakes and cages are collected, cleaned, and stored for later use.

Plants are left in the cure room until the flowers dry. The cure room will be environmentally controlled with a combination of humidifiers and oscillating fans. Humidity in the cure room will be maintained between 40-45%. Humidifiers collect water into buckets. The buckets are monitored regularly and the water can be re-used to nourish plants. The plants must have enough space to allow plenty of air circulation. Keeping plants too close together, or too close to the wall, slows the drying process and can create mold. The drying process takes approximately three to five days, depending on the conditions in the room. Managing the timing of harvests at the grow facility is important because bringing a new harvest into the cure room while a previous harvest is drying can rehydrate plants from the previous harvest.

**Rework and Processing**

Once dry, flowers are removed from stems in a process called destemming. Destemming involves removing the leaves and flowers from the plant stem. All plants of a particular license and strain are brought to the team to be worked together. The plant is properly dried if flowers “pop” off the stem. If the plant is still wet, flowers will not pop off and should be removed with trimmers. Care must be taken not to manhandle the flowers during this process.

During the destemming process, employees look for pests, mold or powdery mildew. Flowers with any of these conditions will be placed in a separate container and segregated. Plants that contain pests, mold, or powdery mildew do not meet internal quality control standards and will be destroyed after they have been weighed.

Stems are collected, by license and strain, weighed and the weights recorded in green waste logs. Inventory recorded during the harvest is adjusted down for this waste weight. The waste product is disposed of in green waste bins. The flowers in the bucket are also weighed and inventory adjusted in the inventory tracking system. The inventory is adjusted down to account for water loss so that accurate yield results can be generated and tracked.

Destemmed flowers are put into tiered, hanging baskets to cure. The cure process is an integral step that significantly improves patient satisfaction. Curing breaks down chlorophyll and dramatically improves the taste and smell of the flowers. It reduces the chance of mold growing on the flowers and can improve the potency.

In order to properly cure our flowers, they are placed in large, tiered, baskets made of fine net or mesh. Flowers should be placed within these baskets in a single layer. Layering them too deep can cause mold. Each basket contains eight to ten tiers, and once they are full they can be suspended from the ceiling to allow maximum air circulation. The flowers in the baskets will be weighed and the inventory is adjusted
in the inventory tracking system. The inventory is adjusted to account for water loss so that accurate yield results can be generated and tracked.

After the cure phase is complete, flowers are taken from the plastic buckets and trimmed in a dry trimmer. A log is kept recording the weight of the batch before trimming, and the weight of the same batch after trimming. The trimming log will be used to help analyze yield metrics. The amount of time a batch is machine-trimmed depends on the strain, the size of the batch and the size of the trimmer. Trimmed bud should look clean. Stems and leaves that don’t come off in the dry trimmer will be hand trimmed. Processors and extractors resent stems in their product. Leaves and stems which are manually removed are weighed, the inventory adjusted down accordingly and then disposed of in green waste bins.

**Finishing**
At this point, the cannabis is ready to be processed and packaged into forms of medicine approved by the state of Ohio for distribution to state approved dispensaries.

**Conclusion**

The future is always uncertain, but the combination of our Ohio company and the management company and its years of boots on the ground, hands on consulting experience, the State of Ohio can feel comfortable with their decision in allowing a business with a bright and prosperous future to be a part of your community. Choosing our company is a smart decision for the state, the citizens, and our future patients. We will provide the finest, most-compliant, highest-quality service of any cultivator in Ohio. Serving patients from all over Ohio will unite the cities and ensure the community is improved. Our strong work ethic, drive to be the best and compliance competency is the recipe for a successful business. We look forward to working with the state and ensuring the perception of cannabis has a bright future.

Throughout this Business Plan we have demonstrated that successful operations, profitability and future success is dependent upon a clear, strategic understanding of the Ohio cannabis industry, expertise in all aspects of regulatory compliance, and the resources to grow, develop, and perfect all aspects of our cannabis business. Through mastering cultivation and production, creating highly-effective marketing campaigns and retaining customers for years, we have the skills, knowledge, and ability to create profitability and tax contributions well into the future.

As our company grows, we will direct and monitor that growth from our centralized corporate command center where we will continue to live our mission statement by breaking down stereotypes every single day. We stand behind the state of Ohio and its citizens to embrace the cannabis industry revolution and feel that we are your cannabis business partner of choice.
Part I: Experience in Agriculture and Cultivation

Our team combined has a great deal of experience in the cultivation of medical marijuana. Our management company operates in a state where marijuana is wholly legal and we are excited to work with them and benefit from their years of experience. That same company has assisted us with this application and will be with us through the start of operations. Many consultants are willing to assist with applications, but few actually consult after the license has been granted. We chose to work with this company because we didn’t want to be abandoned and left to fend for ourselves in a new industry.

The management company has extensive written Standard Operating Procedures dealing with cultivation and production, trimming, curing and packaging, green waste, and integrated pest control. This unparalleled experience has led to the company’s principals operating and consulting on over 150,000 square feet of marijuana cultivation, nearly a dozen dispensary locations, and a vibrant wholesale business within their home state. They also provide extensive guidance to prospective out of state operators looking to acquire the proper industry experience in their respective states to ensure success in the medical or recreational cannabis industry.

The management company’s president has over seventeen years of operational and management experience. She is one of the early pioneers in the marijuana industry and is one of the founders of the management company. She has also developed and designed a federally trademarked cannabis education program to provide guidance on the safe, responsible consumption of marijuana in its various forms. In fact, other marijuana businesses as well as local municipalities have adopted this successful public education campaign.

They bring over six years of experience in state of the art lighting practices, soil mediums, plant nutrients, irrigation, integrated pest management, and harvest techniques to the indoor growing process through various agricultural experts and botany masters. We are proud to work with this company because they insist on some of the cleanest, safest, highest quality standards within their market.

This significant industry experience means we are in a strong position to be successful in Ohio. Our management company was established and operated by successful entrepreneurs and marijuana industry leaders. We also benefit from their years of legal and operational experience, and a proven track record of providing cultivation operators with a robust compliance model. Our experienced and diverse team, and our tested proven business model will ensure a functional and financially stable operator. We have the needed experience of navigating through an ever-changing regulatory system and changing market environment.

We are very excited to disclose that we have already selected a cultivation director who has experience working in a mature, marijuana market. This individual started working as a trimmer in a cultivation facility but quickly worked his way up to a lead grower within a mere eighteen months. Not only has he displayed commitment, interest, and a healthy aptitude, but we are especially impressed with his ability to work in a fully legal market. States that have legalized marijuana are affected more by the free market than other states, which means that consumers have broader choices and businesses that produce poor quality product will eventually be forced out of the market. Being able to grow competently is insufficient in such a location. A cultivator must be able to create superior product in order to retain one’s place in a market that has already undergone a development stage. Consumers, (as well as
patients) understand how to differentiate between a quality product, and a mediocre, or even a poor product. They also understand their breadth of choices. If one dispensary does not meet their needs, there are plenty of other dispensaries to choose from. Our Cultivation Director, like many of our other team members, started at the bottom and worked his way up to a respected position of authority. We are certain that he will be do well in a new position driving the cultivation. The Cultivation Director is a native of Ohio, and a current Ohio resident. While he could have had a successful and prosperous in the cannabis industry, he chose to return to Ohio to be closer to his grandmother, who is struggling with declining health. We are excited to work with a Native Son who obviously values his family and his community.

Furthermore, since our Cultivation Director already has experience cultivating medical marijuana, our management company will not have to “start from scratch,” with a bright but inexperienced operator. The combined experience of these partners means that we will be able to hit the ground running once granted a license. The Cultivation Director and the management company both understand what first steps will need to be taken and are currently working together to create a timeline that can be adhered to once we receive a license. We suspect that other operators are searching for Cultivation Directors with any experience in horticulture or botany, and are in the unfortunate position of having to make lemonade out of lemons. We are ecstatic that we are not in the same boat. We will be able to serve Ohio patients much better than our competition.

Part II: Cultivation Methods and Proposed Strains

In order to produce optimal quality products, the Director of Cultivation must strictly control the environmental factors, including the water that enters the facility, the grow medium (also known as soil and the nutritional additives that go into it), the humidity, and even the air that enters. The facility requires a constant and standard state of cleanliness, as well. We intend to grow all our own medical marijuana products ourselves and will not accept medical marijuana plants from outside our own operations. This requirement ensures that we do not contaminate our cultivation facility with either mold or pest issues.

As for other materials which we use to produce medical marijuana, the Cultivation Director will carefully inspect materials, such as soil or nutrients, for defects or torn packaging which could indicate contamination. If the Cultivation Director determines that the material received does not pass inspection, it will be returned to the appropriate vendor. Materials will be kept in the segregated quarantine area so as to prevent any contamination from impacting the rest of the cultivation facility. If materials pass inspection, they will then be integrated into the facility.

Water will come into the cultivation facility from the local municipality. We will filter the water through ceramic and charcoal canister-style water filter systems in order to remove any contaminants in the water such as softeners, chlorine, or fluoride so that we start our nutrient process with a blank slate. After filtering, we will test the water to determine the pH level. Nutrients may be added to adjust the pH to the desired level; the water will be tested until the desired pH level is reached.

We will use two instruments to help test water quality before feeding it to our plants. The Electrical Conductivity (EC) meter measures Total Dissolved Solids (TDS) which is the best measurement of the nutrient concentration of a hydroponic solution. The TDS is measured via PPM. The Parts per Million
Operations Plan

(PPM) of the water should be between 650-750, (it varies depending on the flower cycle of the plant). The pH meter measures the pH level and should be between 5.8-6.0.

Integrated Pest Management (IPM), is defined by the Environmental Protection Agency (EPA), as an effective and environmentally sensitive approach to pest management that relies on a combination of common-sense practices. IPM programs use current, comprehensive information on the life cycles of pests and their interaction with the environment. This information, in combination with available pest control methods, is used to manage pest damage by the most economical means, and with the least possible hazard to people, property, and the environment. IPM is not a single pest control method but, rather, a series of pest management evaluations, decisions and controls. In practicing IPM, growers who are aware of the potential for pest infestation follow a four-tiered approach. The four steps include setting action thresholds, monitoring and identifying pests, prevention, and control.

- We will use a multi-tiered door system to prevent pest infestation. The doors into the cultivation facility as well as those into flower and cure rooms will be required to remain closed at all times.
- Daily inspections of grow medium, stems, tops and bottoms of leaves and flowers.
- Sticky pads and tape will be used on both the inside and outside of all doors leading into the cultivation facility, flower rooms and the cure room. This prevents contaminants from entering through gaps under or above doorways.
- Daily inspections for pests, or the evidence left by pests. Upon recognizing one of these indicators, growers will be required to report potential problems to cultivation management immediately.

We will install screens on each ventilation duct entering the grower facility with a screen fine enough to exclude plant pests. We will install doors to each room that will remain closed to prevent cross contamination. Doors into the facility will also be required to remain closed to prevent pests from entering the cultivation facility.

There are several entities entering the medical marijuana market providing integrated systems which monitor the environmental factors in grow facilities. We will contract with one of them, such as Nanolux’s Cloud Control System, to install a system which will monitor, record and regulate temperature, humidity, ventilation, CO2, pH and nutrient control, water drips and lighting. At the heart of the system is a software program which allows us to specify all of the parameters in each flower room. It controls all of the selected functions through wireless modem communication. The process includes installing sensors with each thermostat, humidistat, ventilation duct, fan, and lighting control panel. The service provider will constantly monitor the integrated system remotely and will notify us if any of the components behave outside of agreed upon parameters.

Cleanliness

The state of Ohio requires a high level of cleanliness within a grow facility, as stipulated in Ohio Admin. Code 3796:2-2-01(D)(1) and Ohio Admin. Code 3796:2-2-01(D)(3). We are happy to comply with this; each employee and visitor will be made to understand that we produce medicine for patients, some of whom are seriously or terminally ill. Our products must therefore be treated with a great deal of care and respect. One of the ways we show respect for our patients is by maintaining a constant level of cleanliness in order to prevent contamination. When we clone or up-pot plants, all equipment and work
areas will be cleaned and disinfected with a 10% bleach solution. Irrigation systems used to bring water
to plants will be cleaned and disinfected with a 10% bleach solution at least once a month. Pots will be
disinfect ed before being re-used for new crops. Equipment such as trimming scissors and trim machines
will be cleaned with alcohol at the end of each day or more often, if needed. Flower rooms will be
thoroughly cleaned after each harvest by cleaning the floors, walls and light fixtures with a 10% bleach
solution.

We have checklists for all the rooms (i.e. the clone room, veg room, flower room, cure room, processing
room) which includes cleaning and maintenance tasks. These checklists are created and maintained by
the Cultivation Director. Each day, employees responsible for those rooms note their progress on
provided checklists confirming that tasks were completed and. Part of the Cultivation Director’s daily
duties are reviewing these checklists to ensure compliance. Tasks include cleaning equipment and tools,
cleaning fans and ventilation ducts, and cleaning rooms after harvest. Maintenance tasks include
ensuring that equipment such as dehumidifiers, fans, lights, thermostats, and humidistats are kept in
working order. These tasks are performed at least monthly by the Cultivation Director. Any issues are
reported to cultivation management as soon as they are discovered so that they can be rectified in a
timely manner.

We will use an electronic inventory tracking system approved by the state in order to track plants from
“seed to sale.” When a clone is created, the plant receives a tracking number which is affixed to the
stem of the plant. The tracking number allows us to find any plant at any stage of its lifecycle. The
inventory tracking system easily tracks when plants have been moved between the veg, flower and cure
rooms. We also track which plants are made into which formulations, the date they’re converted and the
dispensary they are shipped to. The inventory tracking system also enables us to track weights so that we
can analyze yields. It has a comprehensive reporting functionality enabling us to perform regular
inventory audits. Furthermore, all of the information can easily be shared with the state of Ohio or law
enforcement.

**Irrigation, Propagation, Cultivation and Fertilization:**
Our management company has been operating in a fully legal state for nearly a decade and has never
experienced a catastrophic crop failure. This company operates many retail dispensaries and has over
150,000 square feet of cultivation space. We have contracted with them in order to learn from their
voluminous knowledge. This gives us a distinct advantage over other potential licensees that still need to
go through the inevitable period of trial and error, as they experiment with different techniques and
equipment.

**Irrigation**
Rather than watering plants by hand, (which is wasteful and extremely messy), we will instead use an
automated drip system. This system can be monitored electronically and adjusted for the needs of
individual plants. While it does present a significant up-front cost, our estimates show that we can
expect a return on the investment after about eight months of use.

The veg room’s plants will be watered every morning. Water should always be at a pH of 5.8 when it
leaves the watering area. Growers are attentive to how much each plant is absorbing, and intuitively
decide how much water an individual plant needs. Plants will be fed nutrients based on a pre-determined
feeding schedule posted at each watering area. If any sort of nutrient deficiencies or toxicities are noticed by any grower, they will report it to cultivation management immediately. Things to watch for include yellowing leaves, brown edges, dry, wrinkled edges, or anything else that deviates from standard growing characteristics. When watering a room, a grower will first walk the entire room, lift the pots to determine the weight and inspect the color of the soil in order to gauge water absorption and nutrient intake. The degree of acidity or alkalinity of a solution is identified on the pH scale of 0 to 14 with a pH of 7 being the neutral point. The type of grow medium needs to be taken into account because some medium retains the pH of the nutrients better than others.

Water in reservoirs is generally kept between 70-75°F. If the temperature in the reservoir exceeds 80°, the water must be cooled before it is utilized for plant needs. Plain water is only given to plants during the end of the flowering phase when they are being flushed prior to harvest. Total Dissolved Solids (TDS) is the best measurement of the nutrient concentration of a hydroponic solution. To estimate TDS, one can use a meter that measures the Electrical Conductivity (EC) of a solution, and convert the measurement to parts per million (ppm), which is how TDS is typically expressed. We will document this information for every feeding that occurs at the facility. Nutrients are added to watering reservoirs at time of feeding. The amount and type of nutrients added is dependent on where the plant is in its growth phase. Different nutrients and pH levels are used in order to encourage plant growth early in the phase and to encourage flower growth later in the phase.

**Grow Medium**
The management company prefers to use a synthetic grow medium called ProMix. ProMix consists of peat moss and perlite that yields reliable results. This medium is inert, meaning it contains absolutely no nutrients whatsoever. Nutrients are delivered to plants by being watered into the medium directly. If watering ProMix with plain water (without nutrients), “nutrition lockout” can occur which renders a plant incapable of accepting nutrients in subsequent waterings.

**Propagation**
Propagation, or cloning, is one of the critical steps in the full cultivation process. Anyone not experienced in these procedures must first train under a lead grower before taking on this responsibility themselves. The lead grower consults the clone request form to determine how many clones of each strain are required. Each strain’s mother plant is located and the lead grower determines whether it is suitable for cloning. The cloning area and supplies will be cleaned and sterilized with a 10% bleach solution before the cloning process begins. With sharp scissors, 4”-6” clones will be created by making a 45-degree cut just above a node or at the base of the main stem on a firm, healthy branch. Lower branches root more rapidly because of increased levels hormones. However, any branch that is at least 3mm (1/8”) wide can be cloned. Our growers are trained not to take too many cuts at once from the same mother, as a plant must be allowed time to recover between cloning sessions. After all clones are taken, the grower will prune the mother to ensure continuous, healthy growth. The grower will remove all lower growth from the clone, keeping the top two nodes intact, and will cut the stem at a 45° angle. The clone will be placed in a soil plug, called a rapid rooter, and then placed into a tray with other clones of the same strain. The tray will be labeled with the strain name, and date. Taking cuttings from plants is an extremely delicate process. Growers who take clones need to be careful and most always maintain cleanliness. Our management company has a cloning success rate of 95%. The daily care of clones will include visually inspecting the leaves.
Once planted clones have rooted, they will be ready to be transplanted and transferred to the vegetative room. A plant is ready to be transplanted when it has approximately five inches of fairly dense root growth. The cultivation area, supplies and all tools will be cleaned with a 10% bleach solution prior to each use. The grow medium is prepared by cutting open the bag of grow medium, emptying it into the up-potting tray and adding a five-gallon bucket of water to the mix. The water will be vigorously mixed into the medium until the soil is thoroughly moistened and all clumps are broken apart. The grower will fill a one-gallon pot with grow medium but not pack the pot too densely. The grower will use their fingers to create an indent in the center and place the clone with its soil plug in it, filling the remainder of the hole with grow medium until the plant is stabilized and can stand on its own. The plant will then be tagged with an inventory tracking number and moved to the vegetative room. Lights in the vegetative room, (or veg room), will be illuminated for eighteen hours and off for six hours, (this is done to mimic the long days of summertime). The veg room will be lit with metal halide high intensity discharge lamps. Light hoods will be hung 18” above the plant canopy and hung completely level. Any discrepancies to this requirement will be resolved immediately upon detection. If any lights are not functioning or are functioning improperly, growers will notify cultivation management immediately to avoid interruption. Growers are directed not to attempt to troubleshoot or repair any light or ballast issues without proper safety training and management consent.

Fresh transplants will be arranged side by side on the tray for approximately the first three weeks of their vegetative phase. Once the plants are accepting daily feedings of at least one half liter, they will be spread to 36 plants per light. Oscillating fans are placed in the rooms, in order to create a gentle breeze. This movement forces the plants to grow stronger. Fans are cleaned any time that dirt or other buildup is noticed, but no less than every six weeks. Powered exhaust units will draw air from the grow room. The exterior of exhaust units will be cleaned any time that dirt or other buildup is noticed, but no less than every six weeks. If any exhaust units are not functioning properly, growers will notify cultivation management.

The acceptable temperature in the veg room is between 70°F-78°F. If the temperature falls outside of this range, growers will notify cultivation management for corrective action. The accepted relative humidity range for the veg room is 40-60%. If the relative humidity falls outside of this range, growers will notify cultivation management for corrective action. If the room has a dehumidifier, the drainage reservoir will be emptied daily. If a dehumidifier is not functioning properly, the grower will notify cultivation management.

Before plants can be moved from the veg room to the flower room, the room must be cleaned. The floor will be swept and mopped, tables will be cleaned with a 10% bleach solution, and all equipment will be sterilized. The grow medium is prepared just as it was before, when clones were transferred to the veg room. The grower will fill a five-gallon pot with grow medium. The grower removes the plant and root ball from the 1-gallon pot and gently massages the root mass to stimulate new root growth. The plant is placed into the five-gallon pot so that the top of the root mass is seated 3’ below the top of the rim. The grower adds grow medium around the plant’s root ball, being careful not to pack it too densely. Lights in the flower room are illuminated for twelve hours and off for twelve hours. The flower room will be lit with high pressure sodium high intensity discharge lamps. Light hoods will be hung 18” above
the plant canopy and hung completely level. Once again, any discrepancies to this requirement will be resolved immediately upon detection.

Plants will be arranged side by side and spread so that there are four to six plants per light, depending on the plant size and light type. The flower room utilizes oscillating fans in the same manner and for the same purpose as the veg room. Fans will be cleaned any time that dirt or other buildup is noticed, but no less than every six weeks. Powered exhaust units will draw air from the grow room. The exterior of exhaust units will be cleaned any time that dirt or other buildup is noticed, but no less than every 6 weeks. If any exhaust units are not functioning properly, growers will promptly notify cultivation management.

The acceptable temperature in the flower room is between 70°F-78°F. If the temperature falls outside of this range, growers will promptly notify cultivation management. The accepted relative humidity range for the flower room is 30-50%. If the relative humidity falls outside of this range, growers will promptly notify cultivation management. If the room has a dehumidifier, the drainage reservoir will be emptied daily. If a dehumidifier is not functioning properly, the grower will notify cultivation management.

The flower room will be checked daily for watering needs. Water should always be at a pH of 5.8 when it leaves the watering area. Like the veg room, plants in the flower room will be fed nutrients based on the predetermined feeding schedule posted at each watering area.

If any sort of nutrient deficiencies or toxicities are noticed by any grower, they will report it to cultivation management right away. Plants will be inspected daily. All yellow leaves will be removed and put in green waste bins for proper destruction. Growers will constantly check for signs of stress, sickness, or pests in order to report them with urgency to cultivation management. Early detection of trouble can prevent an inferior crop and expensive losses, since many plant issues tend to affect groups of plants and not just one.

Plants will be pruned regularly so that the plant can focus its energy on the larger branches, and produce bigger flowers. As the plant grows and flowers, it will be either staked or caged. This process helps branches hold the increasing weight of growing flower and prevents breakage, similar to how tomato plants are grown with either stakes or cages. The plant will be flushed of all nutrients and receive plain water seven to ten days before harvest. Removing the larger fan leaves from plants results in a more effective flushing of the plant by directing more energy toward the removal of sugars and starches from the flower. Leaves will start showing purples, pinks, and yellows (autumn colors), denoting that the plant is pulling nitrogen straight from the leaves. This softer form of nitrogen sweetens the flavor of the flower.

**Harvesting, Drying and Curing**

Harvests of rooms will occur approximately sixty days after plants move out of the veg room and into the flower room. The harvest team will sort the plants in the room by strain. Ignoring this step creates extra work later as the team tries to identify plants and collect them for processing. For example, if a dispensary runs out of a popular strain, the dispensary can call our cultivation facility requesting that the specific strain be expedited in order to meet the needs of patients. Trying to locate plants related to that specific strain among all the plants in the harvest is cumbersome unless they are kept together throughout the process.
Once plants are sorted, a team harvests the plants in each grouping. Stakes or cages used to hold the plant up during its growth are removed carefully so as to not break off flowers from the plant. Metrics and incentives are used to optimize the amount of broken or dropped flower created during the harvest. Once cages or stakes are removed, the plants are cut about three inches from where the stem enters the soil and then it is hung upside down on a rolling rack. As plants are harvested, they are checked off against an inventory report reflecting all the plants in the flower room. Discrepancies are recorded, reported to management level employees, and investigated. When full, the rolling rack will be delivered to the team recording the Total Plant Weight (TPW) of each individual plant.

A critical step of a harvest is recording the TPW of each plant within one hour of being harvested. Plants begin to lose water weight immediately after being harvested. If plant weights are not recorded until the following day, the results will reflect inaccurate weights, and ultimately inaccurate yields. Once the racks of harvested plants are delivered to the weighing station, each plant’s identification tag is scanned into the electronic inventory tracking system. The plant is then hung from a certified, calibrated, hanging scale and the weight entered into the inventory tracking system. Hanging scales are calibrated every month by state authorized companies. At this point, the employee weighing the plant will also record the strain and license of the plant and ensure that plants of the same strain are being grouped together. Our system to ensure accurate reporting and data analytics has a number of redundant steps built in, of which this is the first. In the midst of the harvest, plants can easily be misplaced which is why we have instituted a number of redundancies so as to provide the best possible medicine for our patients and prevent diversion.

After the plant is weighed, it is hung on a bamboo pole. Only four to five plants will be hung from the same pole so that an adequate amount of air can circulate during the drying process. Hanging too many plants on a pole slows the drying process and may result in uneven drying and could lead to mold growth. Poles are moved from the flower room to the cure room where they are hung, keeping plants together based on license and strain. Plants are reconciled against an inventory report reflecting the number of plants by license and strain. Discrepancies are recorded and reported. A map is created of the cure room to show where each license number and strain is kept. This way, if a dispensary or a state regulator requests to view or inspect a specific license or strain, it will be very easy to do. In addition, the map enables the team to research discrepancies and find potentially “missing” plants.

Upon completion of the harvest, the flower room is cleaned before it is restocked with a new crop of plants. The floors are swept thoroughly and then the floors and walls are cleaned with a 10% bleach solution. Light fixtures are cleaned to remove any dust or particulate matter. Fans will also be cleaned to remove any dust. The growing medium cannot be reused and is discarded in a Green Waste container. (For more information about the discarded growing medium, please see the Waste Management Plan contained in Section 15.) Pots will be cleaned to be reused for the next batch of plants. Stakes and cages are collected, cleaned, and stored for later use.

Plants are left in the cure room until the flowers dry. The cure room will be environmentally controlled with a combination of humidifiers and oscillating fans. Humidity in the cure room will be maintained between 40-45%. Humidifiers collect water into buckets. The buckets are monitored regularly and the water can be re-used to nourish plants. The plants must have enough space to allow plenty of air...
circulation. Keeping plants too close together, or too close to the wall, slows the drying process and can create mold. The drying process takes approximately three to five days, depending on the conditions in the room. Managing the timing of harvests at the grow facility is important because bringing a new harvest into the cure room while a previous harvest is drying can rehydrate plants from the previous harvest.

**Rework and Processing**

Once dry, flowers are removed from stems in a process called destemming. Destemming involves removing the leaves and flowers from the plant stem. All plants of a particular license and strain are brought to the team to be worked together. The plant is properly dried if flowers “pop” off the stem. If the plant is still wet, flowers will not pop off and have to be removed with trimmers. Care must be taken not to manhandle the flowers during this process.

During the destemming process, employees look for pests, mold or powdery mildew. Flowers with any of these conditions will be placed in a separate container and segregated. Plants that contain pests, mold, or powdery mildew do not meet internal quality control standards and will be destroyed after they have been weighed.

Stems are collected, by license and strain, weighed and the weights recorded in green waste logs. Inventory recorded during the harvest is adjusted down for this waste weight. The waste product is disposed of in green waste bins. The flowers in the bucket are also weighed and inventory adjusted in the inventory tracking system. The inventory is adjusted down to account for water loss so that accurate yield results can be generated and tracked.

Destemmed flowers are put into tiered, hanging baskets to dry. The cure process is an integral step that significantly improves patient satisfaction. Curing breaks down chlorophyll and dramatically improves the taste and smell of the flowers. It reduces the chance of mold growing on the flowers and can improve the potency.

In order to properly dry our flowers, they are placed in large, tiered, baskets made of fine net or mesh. Flowers should be placed within these baskets in a single layer. Layering them too deep can cause mold. Each basket contains eight to ten tiers, and once they are full they can be suspended from the ceiling in order to allow maximum air circulation. Many cultivators use sealed buckets for their curing process. We find that this process not only takes much longer, it raises the risk of mold growing on the flowers. Curing in the hanging baskets takes approximately one week, while curing in buckets can take up to three weeks. When the flowers have dried sufficiently, they will be weighed and the inventory will be adjusted in the inventory tracking system. The inventory is adjusted to account for water loss so that accurate yield results can be generated and tracked.

After the drying phase is complete, flowers are placed in large glass canisters or jars to cure. Flowers can be stacked on top of each other in the jars, but the jars must be opened once a day and stirred, in order to promote proper curing.

Flower will need to be trimmed after it is cured. A log is kept recording the weight of the batch before trimming, and the weight of the same batch after trimming. The trimming log will be used to help analyze yield metrics. Trimmed flower should look clean and symmetrical, and be egg-shaped. We will
always trim our flower by hand. We feel that discerning patients will appreciate the care and attention that goes into preparing product by hand.

Patients, processors, and extractors resent stems in their product, because stems are not consumable. Trimmers must be careful to remove as much of the stem as possible. Stems are then weighed, the inventory adjusted down accordingly, and then disposed of in green waste bins. Trimmers will always trim over a container, so that the excess leaves that come off during the process can be sold to processors.

Trim is the product made from the small leaves which come off in the trimming process. Trimmers will always trim over a container, so that the excess leaves that come off during the process can be caught and sold to processors. The trim is removed from the bottom of the container and packaged separately. Dry trimmers are cleaned with alcohol at the end of each day to extend the life of the machine and maintain product quality. Dry trimmers are deep cleaned once a week to ensure the cleanliness of the product processed through the machine.

**Finishing**

At this point, the medical marijuana is ready for its next step, which could be testing by a licensed laboratory, shipment to a licensed dispensary, or shipment to a licensed processor.

**Proposed Strains**

We are applying for a Level II Cultivator License, and must contend with limited space, since we are only allowed 3000 square feet in which to cultivate. Ohio has an unusually comprehensive list of qualifying conditions, which encompasses twenty-one different physical and mental ailments. In order to best serve the needs of Ohio patients, while balancing our limited capabilities, we have decided to cultivate four different strains. We understand that this is not a lot, and many other businesses are likely to grow upwards of a dozen different strains. To remain competitive, we are going to cultivate these four strains in a natural, time-tested, and down-to-earth method. We are going to produce a small number of strains that consistently feature excellent quality, rather than cultivating a large variety with mediocre or inconsistent quality. We have also been careful to select strains that yield moderate to high amounts of flower. (Selecting strains that yield below-average amounts of flower would be a poor decision for a cultivation facility of our size.) It is important to us that patients know our brand and associate it with quality medicine that can always be relied upon to relieve their symptoms.

We plan to cultivate and sell the following four strains:

**Float**

THC 0.45%; THC-A 22.92%; CBG-A 1.02%

Float is an indica, (some consumers may recognize it as Vanilla Kush), useful for treating insomnia, cachexia, severe nausea, symptoms associated with cancer, symptoms associated with HIV/AIDS, symptoms associated with Hepatitis C and symptoms resulting from Post- Traumatic Stress Disorder. It also soothes stress, pain, nausea, and depression. Consumers can expect to feel relaxed, happy and sleepy after consuming Float. Like must indicas, Float provides more of a body high, rather than a mental high. This makes it ideal for treating any sort of pain, sleeplessness or lack of appetite.
Calm
THC <0.01%; THC-A 0.695%; CBG-A 0.41%; CBD-A 14.53%
Calm is an indica-dominant hybrid, (also known as Cannatonic), which means that it has genetics deriving from both sativas and indicas. It is unusual in that it has almost no THC in it, which is the chemical compound associated with the mental high. We appreciate that some of our patients may want the benefits of medical marijuana, but may not want to feel “high,” or have their reality altered in any way. Calm is specifically intended for those patients. Calm will treat cachexia, severe pain, muscle spasms, Crohn’s disease, Glaucoma or the symptoms associated with Post Traumatic Stress Disorder. It will do all of this while allowing the patient to function in a completely unaltered state.

Motivate
THC 0.25%; THC-A 18.63%; CBG-A 1.65%
Motivate is a sativa, (some people may know it better as Green Crack), which can treat soothe stress and fatigue resulting from depression. It also successfully treats cachexia, severe pain, symptoms associated with multiple sclerosis, symptoms associated with cancer, and symptoms associated with Post Traumatic Stress Disorder. Sativas are known for providing a gentle energy boost, while also promoting mild euphoria. Motivate is ideal for patients suffering from disorders of the brain, including depression and anxiety.

Happy
THC 0.45%; THC-A 16.54%; CBG-A 2.07%
Happy is a sativa-dominant hybrid, (also known as Grapefruit), which can help with pain management, epileptic seizures, fatigue and depression. It can also treat cachexia and some of the symptoms associated with PTSD.

Marijuana developed under the black market, and many of the names given to varietals did not benefit from any sort of marketing strategy. Unfortunately, many varietals of cannabis were given whimsical, or even absurd names, and many (if not most) of these names do not conjure up images of good medicine. We are concerned that if a patient was offered a medicine called “Purple Trainwreck,” she might be skeptical that it could treat her symptoms, (and understandably so). This is why we have chosen to rename our product offerings, and move away from the classic “black market” names towards names that are more descriptive and more easily trusted by patients.

We have tried to offer treatments for as many of the qualifying conditions as possible. Our selected strains offer relief for HIV/AIDS, Hepatitis C, Cancer, Epileptic Seizures, Multiple Sclerosis, Muscle Spasms, Crohn’s Disease, Glaucoma, Chronic and Intractable Pain, as well as Post Traumatic Stress Disorder. We carefully chose these strains because they offer relief for nearly half of the qualifying conditions.

Part III: Product Timeline and Production Schedule
Once we complete the buildout for our leased property, which we estimate will take about six months, we will be able to bring in our first seeds and begin cultivation. We will start our original operation with seeds from our management company, but after that, we will work with clones. Clones (or clippings) can be taken from a mature marijuana plant (also known as a mother), and are preferred because they take less time to propagate. For this reason, we expect the first cultivation cycle to be slightly longer.
than every subsequent cycle. Because working from clones rather than seeds is the standard procedure, that is the process that has been described in this narrative. The inaugural grow cycle may take an additional three weeks.

On Day One, clones are cut from mothers by making a 45° cut with sharp scissors just above a node. The clone should immediately be placed in a cup of water in order to prevent an embolism, which is a bubble of air that gets trapped in the hole in the stem and prevents the necessary flow of fluid. Embolisms can be fatal for clones. No more than five clones should ever be taken from the same mother. Mothers need time to heal and repair after a clone is cut. The cup of water should be labeled with the date of the cutting as well as the strain name.

One the same day, clones should be placed in an EZ Cloner aeroponic machine. This device is a large tray, with water in the bottom. Clones should be placed into clean and sterilized collars which are circular foam rings that will hold the clone in a vertical position, with the bottom of the clone dipping into the water. The EZ Cloner contains a reservoir and a water pump to circulate and filter the water that the young plants are receiving.

Clones will be left in the EZ Cloner for approximately two weeks. They can be transplanted to containers when there is significant root growth. Root growth is sufficient when there the tap root (the longest root is at least six to seven inches long.

On Day 15, clones will be up-potted (or transplanted into a larger container), and then placed in the Veg Room. At this stage, plants are generally twelve inches tall and will receive a numeric identifier, in compliance with Ohio Admin. Code 3796:2-2-04(A). Lights in the Veg Room will be left on for eighteen hours a day, and left off for six hours a day. This is done to mimic the long days and short nights of summer.

On Day 29, plants will be moved from the Veg Room to the Flower Room. Lights in this room are left on for twelve hours a day, and off for another twelve. This is done to mimic the near-equal days and nights of fall. The shorter amount of “daylight” triggers the plant to believe that its lifecycle will end soon, and therefore promotes the growth of flower. It is quite likely that plants will need to be up-potted at some point during this phase, and that will be done in a manner that causes the least amount of stress to the plant. Three of our chosen strains, (Float, Motivate, and Happy) will produce flowers in about eight weeks. The fourth strain (Calm) produces flowers in about ten weeks.

When plants have produced flowers and are ready to be harvested, the entire process of harvesting, weighing, and inventorying can be done. For most strains, this will happen on Day 85. For Calm, this may not take place until Day 99. Plants will be harvested by having sections of stem cut from the center trunk or stalk. The branches can then be weighed with a standard hanging scale, and the weights can be recorded in the electronic inventory tracking system. With a cultivation facility of our size, we estimate that harvesting, weighing, and recording the weights in inventory can be accomplished in a single day. Soil, roots, and stalks will be dumped out into a green waste container. The pots or containers will be set aside to be cleaned and reused.
Plants will then be left to dry for approximately five days, or from Day 86 – 91. Buds, or flowers, can be destemmed by cutting or snapping the flower off of the stem. The buds are then placed in glass jars for curing. Curing will take place from Day 92 until about Day 105. Periodically, the jars will be opened, the contents stirred, and then resealed. This promotes air flow and prevents certain pests from destroying the product.

The last step of the process is to weigh the quantities, update the electronic inventory tracking system and then prepare the flower to be transported to either a laboratory for testing, a dispensary for retail sale, or to a processor for processing. All of this, (with the exception of actual shipment), can be completed on Day 106.

Three of our four chosen strains will finish their production cycle with 106 days, while the last strain will finish its production cycle on Day 120. The two charts below help illustrate the precise timeline for all of our strains.

**Float, Motivate, and Happy:**

<table>
<thead>
<tr>
<th>Day</th>
<th>Action Item</th>
<th>Amount of Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-14</td>
<td>Clones in EZ Cloner</td>
<td>Two Weeks</td>
</tr>
<tr>
<td>15-28</td>
<td>In Vegetative State</td>
<td>Two Weeks</td>
</tr>
<tr>
<td>29-84</td>
<td>In Flower Stage</td>
<td>Eight Weeks</td>
</tr>
<tr>
<td>85</td>
<td>Harvest, Weight, Inventory</td>
<td>One Day</td>
</tr>
<tr>
<td>86-91</td>
<td>Drying</td>
<td>Five Days</td>
</tr>
<tr>
<td>92-105</td>
<td>Cure</td>
<td>Two Weeks</td>
</tr>
<tr>
<td>106</td>
<td>Weighing, Inventory, Packaging</td>
<td>One Day</td>
</tr>
</tbody>
</table>

**Calm:**

<table>
<thead>
<tr>
<th>Day</th>
<th>Action Item</th>
<th>Amount of Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-14</td>
<td>Clones in EZ Cloner</td>
<td>Two Weeks</td>
</tr>
<tr>
<td>15-28</td>
<td>In Vegetative Stage</td>
<td>Two Weeks</td>
</tr>
<tr>
<td>29-98</td>
<td>In Flower Stage</td>
<td>Ten Weeks</td>
</tr>
<tr>
<td>99</td>
<td>Harvest, Weight, Inventory</td>
<td>One Day</td>
</tr>
<tr>
<td>100-105</td>
<td>Drying</td>
<td>Five Days</td>
</tr>
<tr>
<td>105-119</td>
<td>Cure</td>
<td>Two Weeks</td>
</tr>
<tr>
<td>120</td>
<td>Weighing, Inventory, Packaging</td>
<td>One Day</td>
</tr>
</tbody>
</table>

With the help and expertise of our management company, and due to the anticipated yields of our chosen strains, we expect to produce between seventy and one hundred pounds of dried, useable flower per month. Float, and Happy are both strains that produce higher than average yields, while Motivate and Calm produce moderate, or average yields.
Part IV: Marijuana Cultivation Area Layout and Environment
Above, is a layout of our proposed facility. The facility has quite a bit of space, and would definitely allow for expansion. In the future, we intend to apply for such a permit. In the meantime, we will cultivate plants in a single tier, (not stacked), unless we receive word from the state of Ohio that such an action would be permitted. As the regulations are currently written, we understand that we should avoid cultivating more than is reasonable for our permit, or for our geographic location. We will comply with this fully.

We have separate rooms for vegetation, flower, mothers and clones. Hanging and drying happen in one room, as does de-stemming and trimming. Crucially, all of our IPM, (Integrated Pest Management) equipment is stored in its own secure room, which has an entrance through our general equipment storage room. We also have a little bit of office space in the rear of the building. These offices will be used for the company officers, as well as record storage. This layout maximizes efficiency and proper storage techniques.

**Part V: Standard Operating Procedures**

We will utilize a proven training program with our employees that incorporates extensive Standard Operating Procedure packages on all topics related to operations. These SOPs were created by our management company, and have undergone rigorous evaluations, and in some cases, edits and revisions. The management company uses these SOPs in their own operations. We will be working with the same SOPs, but they will be adapted to adhere to Ohio regulations in particular, Ohio Admin. Code 3796.

New employees will be trained on the operational procedures contained within the standard operating procedures. All new employees will have to pass tests before they can work in our facilities. (For more information about our staffing and training plans, please see Part VI of this narrative.) They also use a mentorship program, under which more experienced employees are responsible for training newer employees on the particularities of every applicable standard operating procedure. Periodic reviews of compliance will also be mandated. In addition, employees will utilize checklists to ensure that the training is incorporated correctly and consistently. Employees who apply integrated pest management materials will complete a checklist verifying the products used, their dosages, safety equipment and precautions employed, and permitted re-entry guidelines. These checklists, which are department specific, will be provided to all relevant managers, reviewed and retained.

With time and experience, our employees will be encouraged to take additional training courses to build upon their prior experience and expertise. They will be expected to pass tests, use the new skills in the facility, and complete checklists to ensure consistency. As employees pass each training segment, and successfully incorporate the training into their daily tasks, they will receive bonuses and promotions.

The following chart lays out the topics and titles of the Standard Operating Procedures we will receive as well as the breadth of knowledge encompassed.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Specific Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>Regulation Changes, Updating SOPs, and Communicating Changes</td>
</tr>
<tr>
<td></td>
<td>Maintaining an Alcohol and Drug Free Workplace</td>
</tr>
<tr>
<td></td>
<td>Identifying Intoxication and Substance Abuse</td>
</tr>
<tr>
<td></td>
<td>Making Training Materials and SOPs Available to Employees</td>
</tr>
<tr>
<td></td>
<td>Handling Regulatory Inspections</td>
</tr>
</tbody>
</table>
| Operations Plan | Conducting an Investigation due to Discrepancies, Diversion, or Theft  
| --- | ---  
| | Maintaining Good Hygiene and Preventing Contamination  
| | Adverse Patient Reactions  
| Cultivation | Maintaining Facility Cleanliness and Preventing Contamination  
| | How to Use, Store, and Maintain Personal Protective Equipment (PPE)  
| | Performing an Inventory Audit  
| | Integrated Pest Management  
| | Identifying Plant Issues  
| | Cloning Phase  
| | Vegetative Phase  
| | Flowering Phase  
| | Light and Photosynthesis  
| Trimming, Curing, and Packaging | Harvesting and Processing  
| | Packaging and Labeling  
| | Transportation Protocols  
| | Green Waste Procedures  
| | Potency and Microbial Testing  
| Safety and Security | General Security Protocols  
| | Visitors  
| | Complying with OSHA Regulations  
| | Complying with HIPAA Regulations  
| | Procedures for Visitors  
| | Diversion  
| | Safety Protocols for Medical Emergencies, Fires, and Chemical Spills  
| | Security Procedures for General Security, Robbery, Burglary, and an Active Shooter  

Additionally, the management company has a training manual that uses a lot of the information from the standard operating procedures, but presents the information in a manner that will be more familiar for most employees. The training manual reads like a book, and will be useful to both new employees and presenters. The full training manual is approximately 250 pages and 25,000 words. The table of contents includes:

- The nature and history of our company
- Features of the medical cannabis plant such as trichomes, cannabinoids and terpenes and their impact on the finished product;
- Medical cannabis basics such as the difference between Indica, Sativa, Ruderalis and Hybrids, their individual characteristics and their effects;
- Different types of cannabinoids such as THC (Tetrahydrocannabinol), CBD (Cannabidiol) and CBN (Cannabinol), their individual characteristics and their effects;
- A list of all the strains which we produce, their cannabinoid characteristics, the genetic combinations which created them, which physical issues will be benefited by each strain, and the characteristic effects the strain has on the patient
• Medical cannabis consumption methods
• What concentrates and edibles are, consumption methods, dosages and how our operational processes will impact the quality and potency of the product

• Principles of Cultivation
  o Light and Photosynthesis basics, the effect of light/dark cycles on the growth lifecycle, types of indoor lights and their effects on photosynthesis
  o Inverse Square Law, which explains the relationship between light intensity and distance from the plant canopy
  o Water and nutrient basics, acidity versus alkalinity, temperature of water, soil mediums, total dissolved solids and nutrient concentration
  o Environmental conditions such as air and ventilation, room temperature, relative humidity and carbon dioxide supplementation
  o Grow medium basics including peat-based growing mediums, limestone, perlite, mycorrhizal inoculum fungi and coconut husks, cork
  o Integrated Pest Management (IPM) as defined by the Environmental Protection Agency (EPA) which addresses pest control in an environmentally friendly manner
  o Cleanliness and sanitization requirements to ensure that our product, which is consumed by patients as medicine, is handled in a way which prevents contamination
  o Plant trouble prevention, which covers inspecting plants daily and what to look for regarding signs of stress, sickness, pests and mold

• Cultivation Processes
  o Cloning phase, which involves cutting clones, cloner setup, filling a cloner, daily cloner maintenance, transplanting clones and cleaning cloners
  o Vegetative phase comprised of care of mother plants, vegetative timelines, and transplanting vegetative plants into appropriately sized pots
  o Flowering phase including care of flowering plants and the pre-harvest flush
  o General cultivation processes such as grow medium preparation, mixing nutrients, identifying plant issues, insecticide and fungicide use, pruning and supercropping, bleach safety protocols, disinfecting equipment and grow rooms, and facility cleanliness requirements
  o Equipment operations, which covers HID lighting, oscillating fans, thermometers and hygrometers, combo meters, which measure the ph of soil, and de-humidifiers

• Harvesting, Drying, Curing, Processing, Packaging and Distribution Processes
  o Harvest preparation and workflow processes
  o Drying and curing, which includes environmental effects and how to manage them
  o Processing, which is another term for destemming buds from the plant stems
  o Waste management of stems and leaves
  o Creating packages and labeling them appropriately
  o Distribution processes which ensure that product is prepared according to local and state regulations before being moved from the grow facility to a dispensary and/or wholesale customers

• Inventory processes and management
  o We will use a sophisticated seed to sale inventory tracking system which will enable us to track plants from clone to sale
  o Creating plants in the vegetative phase
Operations Plan

- Moving plants from vegetative to flower rooms
- Creating weights for plants during harvest
- Adjusting weights through the drying, curing and processing stages
- Troubleshooting
- Reporting

- Safety and Security
  - Anti-diversion prevention, which discusses restrictions on how product is permitted to leave the cultivation facility and the penalties if an employee is found taking product off site in a non-approved manner
  - Facility security, which discusses our security alarm and video surveillance systems and how to interact with it or access recordings
  - Employee and building safety procedures which covers accidents, medical emergencies, fire and chemical spills
  - Criminal safety procedures which details processes around criminal activities such as armed robberies, burglaries, vandalism and criminal mischief

Part VI: Staffing and Training

We will be an exemplary corporate neighbor. We recognize that our patients, our employees, and quite frankly, our revenue stream come from our community. In the past, many businesses have kept an arms-length from the municipalities that provided their workforce and resources. We have no intention of following such an example.

In a new industry, such as the marijuana industry, unions can be particularly important because they help define the needed and required worker abilities, as well as the roles and requirements of industry employers. Unions can help workers manage wage issues, work hours, benefits, workplace safety, job training initiatives, and other issues. United States law allows workers of all ages the right to join a union if they so desire.

We fully intend to treat all workers fairly, and with dignity, but we respect the positive impact that collective bargaining has had on American industry in regards to vacation time, paid sick leave, limited work hours, and even paid family leave. To that end, all employees will be permitted to join unions if they so choose.

We believe that providing a living wage to all employees fosters loyalty, reduces the risk of employee theft, and creates camaraderie amongst team members. Conversely, offering low wages to employees tends to lead to high employee turnover. Employees who cannot meet their basic needs with the income provided to them will always search for new opportunities.

High employee turnover is very costly to any company, since all new employees have to be trained. This process slows down the execution of their normal duties. Furthermore, the search for new employees interferes with a manager’s normal duties which also costs the company money. Poorly paid employees usually bear resentment towards their employers and are more likely to steal cash or products. This is particularly risky in the marijuana industry because theft of product is called diversion and could spur an investigation by local authorities or the Drug Enforcement Agency, (DEA).
Happy employees tend to bond with each other, which creates a sense of camaraderie and greater cohesion between team members. Employees who get along and enjoy each other’s company are much more likely to accomplish tasks on schedule and to standard. Respecting the efforts of employees by compensating them fairly and adequately is one of the easiest ways to create happy employees. None of our employees will start at a pay rate less than $12.00 per hour. Below, is a chart with the people we intend to hire immediately upon being granted a license, as well as their anticipated wages.

<table>
<thead>
<tr>
<th>Position</th>
<th>Number to Be Hired</th>
<th>Hourly Wage</th>
<th>Anticipated Yearly Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director of Cultivation</td>
<td>1</td>
<td>$29.00</td>
<td>$60,320.00</td>
</tr>
<tr>
<td>Grower</td>
<td>3</td>
<td>$15.00</td>
<td>$31,200.00</td>
</tr>
<tr>
<td>Support Staff</td>
<td>2</td>
<td>$12.00</td>
<td>$24,960.00</td>
</tr>
<tr>
<td>Trimmers</td>
<td>3</td>
<td>$12.00</td>
<td>$24,960.00</td>
</tr>
</tbody>
</table>

Employees need to be trained in all aspects of cultivation operations. The most vital topics include, but are not limited to, how to use the preferred point of sale system, BioTrackTHC, the importance of patient privacy and HIPAA, anti-diversion techniques and procedures, safety and security, facility cleanliness, and of course the products for sale and their respective applications.

**Ramp-Up Period**

All employees will be required to have a valid license, or badge issued by the state of Ohio. We will never hire any employee that does not have the required license, or that is unable to acquire the required license. In compliance with applicable law, we will hire no person who has been convicted of a felony, or a crime involving moral turpitude, or related to illicit drugs, controlled substances, fraud, or forgery.

After the initial ramp-up period, which we estimate will take approximately six months, the Director of Cultivation will be responsible for training all future employees. During the ramp-up phase, we will rely on two third-party vendors, which are explained in more detail below, to conduct employee training. The training methods will include instruction on our written documents (such as company policies, employment manuals, and standard operating procedures), that the new employees can review, as well as hands-on training led by the Director of Cultivation or an employee training service that caters specifically to the medical marijuana industry.

Medical marijuana is a brand new industry to the state of Ohio, and is relatively new to the United States as well. Approximately two weeks before opening day, the Director of Cultivation and all other employees will attend trainings that are offered in a traditional class-room setting. These trainings are intended to cover day-to-day operations of the facility, including cultivation techniques, maintaining cleanliness, how to use personal protective equipment, how to safely administer Integrated Pest Management, and how to handle a potential security breach.

To ensure the most current, comprehensive and compliant training is provided, We have identified two vendors to aid in the initial employee training. These vendors will be crucial in ensuring proper training. The first is a business that offers Learning Management Systems to businesses in the legal cannabis industry. A Learning Management System, (or LMS), acts as a secure, central database of all materials employees need to learn. An LMS system would contain employment policies, company policies,
information about benefits, as well as standard operating procedures. This centralizes all relevant materials that employees need so that they can access it whenever they need. We would rather use a web-based system than use a paper-based system. Relying on paper makes it more difficult to keep materials up-to-date, and takes up a lot of space in an office.

Another vendor offers a wide-range of courses designed for employees in the cannabis industry. Course topics range from medical cannabis uses and applications, preventing diversion, handling intoxicated consumers, and even what to do in the event of a robbery. These courses are all offered in a classroom-type setting, and many of them include tests at the end of the course so that employees can verify their knowledge.

Relying on these two vendors for employee training in the ramp-up period will ensure smooth, compliant operations. We will be able to build off this training to create a stable, dependable workforce as well as create a patient-base that trusts the company and its products.

After Ramp-Up

We have a new hire packet that will be distributed to all new employees. This packet is too long to attach as part of this narrative, but it explains company policies regarding theft, the use of drugs or alcohol on company property, sexual harassment, or harassment based on race, ethnicity, or religion. Thanks to our management company, we also have disciplinary forms that can be used for any infractions of company policy. After the initial ramp-up phase, all store employees will receive a performance evaluation after six months of employment.

All training materials, employment and company policies, as well as copies of Standard Operating Procedures will be available on site. Employees are welcome and encouraged to review these materials at any time. Employees will be responsible for keeping their medical marijuana license valid and up-to-date. They will have to renew the license annually and if an employee is unable to renew his or her license, then employment will be discontinued. It will be within the Director’s discretion to retrain employees on any aspect if he feels that the employee is not performing job functions compliantly according to the necessary standards. This training could be informal, and done simultaneously with job functions, or if need be, it could require more formal classroom-type training.

If the Director of Cultivation feels that an employee is continually deficient, or if the employee is unwilling or unable to learn relevant policies, then it will be within the store manager’s discretion to terminate that employee. If an employee acts with egregious disregard for store policies, or for Ohio law, the Director of Cultivation is authorized to terminate the employee on the spot. Flagrant disregard for policies or relevant law will never be tolerated.

Affirmative Action Plan

We have consulted the Ohio guidelines for Affirmative Action. In addition to compliance with EEOC standards and practices, our company will proactively conduct outreach to achieve the intended result of Affirmative Action including individuals with non-job related handicaps.

Policy Statement
The Company, hereinafter referred to as “Owner,” declares and reaffirms a policy of Equal Employment Opportunity (EEO) and of non-discrimination in the growing, processing, and distribution of medical marijuana to licensed dispensaries.

**Equal Opportunity**
The owner will make all decisions regarding recruitment, interviewing, hiring, promoting, training, and other terms and conditions of employment without discrimination on the grounds of race, color, religion, sex, national origin, ancestry, age, handicap, or any other factor which cannot be lawfully used as the basis for an employment decision.

**Affirmative Action in Employment**
The Owner undertakes a program of Affirmative Action, to which good faith efforts will be directed towards:

1. Determine the extent to which minorities, women and handicapped persons are under-utilized in major categories;
2. Identify and eliminate the specific causes of under-utilization;
3. Identify and eliminate all employment practices which have an adverse impact on minorities, women, handicapped persons, and other groups protected by applicable law and are not clearly related to job performance;
4. Replace such practices with others which are based on merit and valid job qualifications;
5. Develop substantial applicant pools of validly qualified minorities, women, and handicapped persons, special recruitment efforts and other measures to ensure that sufficient numbers of these groups are included to help reduce their under-utilization;
6. Develop, through special recruitment efforts and other measures, applicant pools in which veterans are presented equitably;
7. Operational goals and timetables to include estimates of representation by minorities, women and handicapped persons likely to result from the operation of the Affirmative Action Plan;
8. Establish organizational structures and monitoring systems which will assure effective operation of the Affirmative Action program, achievement of its goals, and means for modification of the plan as needed; and
9. Create and maintain a work site free of discrimination and harassment (including sexual harassment and bullying).

**Nondiscrimination in awarding contracts or selection of vendors**
The Owner reaffirms its policy of nondiscrimination, based on race, color, religion, sex, national origin, ancestry, age, sexual orientation, handicap or other impermissible grounds, in its provision of contracts or selection of vendors.

The Owner commits itself to assure that unlawful discrimination does not occur in its provision of medical marijuana.

**Compliance with Laws**
Through the policies and programs set forth in the Plan, the Owner undertakes to fully comply with all applicable Federal, State, and Local laws relating to EEO, Affirmative Action and non-discrimination in its medical marijuana growing and processing operations hereinafter referred to as “Operations.”
This Plan specifically addresses the obligation of the Operations Owner under the following laws and regulations:
1. Title VII of the Civil Rights Act of 1964
2. The Rehabilitation Act of 1973, Section 504
3. The Age Discrimination Act of 1975
4. Executive Order 11246

Responsibility for Implementation
1. Ultimate responsibility for achievement of EEO for the Operation is with the Owner, through this Affirmative Action Plan and otherwise, is assigned to the Human Resources Director or Chief Executive Officer (if or when there is no Human Resources Director) and the Affirmative Action Officer (AAO).
2. Day to day responsibility will be assigned to the Chief Compliance Officer, who will serve as the Operations AAO, and responsibilities will include, among other things:
   a. Development of a written Affirmative Action Plan for the Operation Owner and periodic updates to conform with all applicable laws and regulations.
   b. General direction and/or coordination of the Plan.
   c. Collection, analysis, and proper publication and reporting of all statistical data called for in this Plan and its guidelines for implementation.
   d. Preparation of all reports required for EEO and the Plan.
      i. Aiding personnel who need technical advice or administrative support in meeting their responsibilities under this Plan and under applicable EEO laws and regulations.
   e. Establishment of a liaison with nonprofit, minorities’, women’s and handicapped organizations capable of producing qualified minority, women, and handicapped applicants for employment by the Operation Owner, and conducting regular evaluations of the effectiveness of such organizations and outreach efforts.
      i. Bi-annual review of employment practices by the Operations Owner and of such related documents as job descriptions, application forms, job announcements, and their placement, to help assure that any discriminatory practices are eliminated or modified.
      ii. Assistance to responsible personnel in the development of affirmative recruitment programs and processes to help achieve the goals stated within this Plan.
      iii. Preparation of an annual report on Affirmative Action of Operation for submission to the Ohio Medical Marijuana Control Program.
3. The Chief Compliance Officer is responsible under the Plan to take the following actions, in consultation with the AAO:
   a. Maintain all central personnel records in a manner consistent with applicable laws and regulations and this Plan.
   b. Develop and maintain all personnel directives in a manner that is consistent with applicable laws, and regulations, and this Plan.
   c. Periodically review the Operation Owner’s classification system or procedures, benefit packages, leave policies, training and career development programs, and other employment practices, to assure that all such practices conform to current legal and regulatory requirements and the provisions of this Plan.
Affirmative Recruitment
The Operation Owner recognizes that preferential hiring based on minority status, sex or handicap would be unlawful even as a means of addressing under-utilization of such groups, except as a numerical remedy ordered by a court.

Accordingly, the Operation Owner will undertake a vigorous program of affirmative recruitment for minority group members, women, veterans, and handicapped persons in all job categories in which they are found to have been underutilized.

Regardless of whether or not such under-utilization currently exists, the Operation Owner will conduct an expanded program of open recruitment in all positions to avoid the possible discriminatory effects of informal job networks and similar systems.

The Operation Owner’s affirmative recruitment program will include, but not be limited to, the following specific actions:

A. Development of search strategies for qualified minorities, women, veteran, and handicapped persons for executive level appointments: This will be a continuing function of the AAO.

B. Written affirmative recruitment Plans: The Operation Owner shall prepare a statement setting forth the specific steps it will take to assure appropriate representation of minorities, women, veteran and handicapped persons in its applicant pools.

C. Open posting of vacancy announcements: All vacancies for ALL positions will be openly posted at places that are prominently visible to all employees in all offices, projects, etc. The posting period shall be of sufficient duration, but no fewer than ten working days, to allow time for interested personnel to consider applying.

D. Broad public announcement of vacancies: The Operation Owner will include public announcements in such media as help wanted columns of newspapers, professional journals and publications which service minorities, women, veteran, and handicapped persons, and on-line job boards that are free to all interested persons.

E. Sources of minority, women, veteran and handicapped applicants: Media and organizational sources specializing in recruitment and referral of minority, women, veteran, and handicapped applicants will be compiled in an email list so that electronic copies of vacancy announcements can be easily distributed. This will be the responsibility of the AAO.

F. The AAO will also maintain working relationships with these non-profit and outreach organizations referenced throughout this Plan.

G. Information and assistance in working with the organizations will be made available to personnel responsible for hiring and they will be trained to utilize the services of the AAO prior to posting any job announcements or recruitment strategies.

H. Recruitment at minority and women’s colleges and universities: In all positions in which college or university recruitment is a normal procedure, and in which minorities and women have been underutilized, colleges and universities whose enrollments are predominantly minorities or women will be included in the recruitment process.

I. High-Level monitoring of each recruitment: Offers of employment for any position will not be made until the job postings and recruitment activities has been submitted to the AAO for review to ensure all affirmative recruitment measures set forth in this Plan have been met.
Additions to, or modifications of, these recruitment procedures may be recommended from time to time for better achieving the Affirmative Action goals of this Plan.

**Nepotism Policy**

The Operations Owner will not prohibit employment of spouses or family members if neither person participates in making recommendations or decisions specifically affecting the appointment, retention, work assignments, promotion, demotion, salary or working conditions of the other person.

**Job Qualifications and Testing**

The Chief Compliance Officer, in cooperation with the AAO, will conduct, or coordinate, a review of all job descriptions, minimum experience and training requirements, job qualifications, and written and oral tests to determine which have an adverse effect in the hiring of any groups on the basis of sex, minority status, or handicap. No test including interview questions will be used without being validated for compliance with applicable federal government guidelines and this Plan.

In conducting this review, the Chief Compliance Officer and the AAO will analyze each job by title or classification, in terms of the actual tasks performed, the frequency and difficulty of their performance, and the relative importance of specific employee traits and skill levels needed to perform those tasks. Upon determining that any job description or set of qualifications has an adverse effect on minorities, women, veterans, or handicapped persons, but has not been proven to be related directly to job performance, the AAO will take the necessary steps to suspend further use of the qualification until it is validated in accordance with the law. (For example educational degrees will not be a requirement unless necessary and an option other than a degree should be offered and weighted equally when possible).

All records relating to job descriptions and job qualifications will be available for review by the AAO, who may make recommendations regarding the content to better align with this Plan.

Selection devices related to job performance, which also have an adverse impact on the employment opportunities of minorities, women, veterans, or handicapped persons, will be eliminated and replaced by other valid selection devices which do not have an adverse effect, if that can be accomplished without unreasonable cost or burden to the Operation. For example, applications will be accepted in written form and at job fairs not just through electronic submission.

The person responsible for administering tests, in consultation with the AAO, will maintain records of the pass/fail rates by race, sex, veteran status and handicap of all individuals who take the tests. The records will be reviewed annually by the Operation Owner and/or AAO.

Upon determining that a test has an adverse impact on the employment opportunities of minorities, women, veteran, or handicapped persons, the AAO will take the necessary steps for the Operation Owner to suspend further use of the test until it has been changed and validated in accordance with applicable Federal government regulations.

**Career Development**

To assure that minorities and handicapped persons are given access to all positions and all lines of progression, the following policies and practices apply:
A. Initial referrals for job interviews will be made with deliberate consideration of Affirmative Action goals, under procedures developed in consultation with the AAO.

B. All employees will be permitted to apply, through transfer, promotion, or otherwise, for higher or more favorable (from a career perspective) positions without advance approval by, or notice to, the present supervisor.

C. All employees who apply and are not selected for such positions will be so informed in writing.

D. In house training, team building and external opportunities provided for skill development or career advancement will be reviewed periodically by the AAO for possible modification or expansion to better achieve the purpose of this Plan.

The Operation Owner will develop, or maintain, specific career ladders, as a measure to help assure that minorities, women, and handicapped persons will not be improperly relegated to “dead end” jobs as well as a generally sound personnel management procedure.

**Classification Review**

The Operation Owner is committed to the principle that individual employees should be compensated according the value of their work, without discrimination based on race, color, religion, sex, national origin, ancestry, age, handicap, or other factors not related to that value.

To assure that similarly qualified individuals performing substantially the same work under comparable conditions are paid on an equal basis, the Chief Compliance Officer will take the following actions:

A. On the basis of job analysis conducted in the course of reviewing job qualification, determine whether each employee is properly classified.

B. Seek written justifications from appropriate personnel for any unjustified disparities in classification which appear to exist.

C. Recommend reclassification of any employees who are determined to be classified lower than the level which is consistent with the objectively determined value of their work, with particular attention to disparities which are patterned statistically on basis of race, sex, or handicap.

D. Review and make recommendations with regard to any employee’s request to have his or her classification adjusted, according to procedures established in consultation with the AAO.

**Equal Benefits**

A. The Operation Owner will review periodically, at least annually, all benefits for employees.

B. The Operation Owner will not participate in any medical insurance program that discriminates unlawfully with regard to coverage of any illness or disability, including those related to pregnancy, miscarriage, or therapeutic abortion, or childbirth.

C. The Operation Owner will not participate in any retirement, pension, insurance, or other similar welfare program unless either the benefits of the Operation Owner’s contributions are equal for all employees without unlawful discrimination because of minority status, sex, handicap, or other covered grounds.

D. No group of employees in a class covered by this Affirmative Action Plan will be required or allowed to retire at any age different from the age at which other classes of employees are required to retire. The Operation Owner will not pursue or maintain any retirement policy requiring employees to retire solely because they have attained an age of sixty-five (65) years or fewer.
Leave Policies

A. All leave policies and practices of the Operation Owner will be formulated and administered without discrimination based on minority status, sex, handicap, or any other prohibited ground.

B. Pregnancy, miscarriage, therapeutic abortion, childbirth and recovery will be considered by the Operation Owner as temporary physical disabilities under the Operation Owner’s leave programs. Leave granted for any temporary physical disability will be granted without discrimination because of minority status, sex, handicap, or any other prohibited ground.

C. In the case of temporary physical disability, including disabilities resulting from pregnancy and childbirth, all classes of employees will be granted leave on a basis which does not discriminate on prohibited grounds. Usage of leave shall proceed in the following order: All accrued sick leave, followed by use of all accrued annual leave, and finally leave without pay when the first two types of leave have been exhausted. All of these shall be granted without discrimination on prohibited grounds. Employees granted leave under these circumstances will retain all employment rights in their current positions at least until the authorized period without pay has expired.

D. The Operation Owner will not maintain or act upon any written or unwritten policy which excludes applicants or employees from employment because of pregnancy. Moreover, employees who are pregnant will not be required to stop work at a time other than that specified by their personal physicians.

E. Extended leaves of absence without pay, including long-term military leave and childbearing leave, will be granted without discrimination because of minority status, sex, handicap, or any other prohibited grounds. Childbearing leave will be granted on the same basis as long term military leave.

Goals and Timetables

A. The Operation Owner will establish goals and timetables relating to the employment of minorities, women and handicapped persons in each major job category in which they are underutilized.

B. The goals and timetables will be stated as projections of the likely representation of minorities, women, and handicapped persons which will exist on specified dates in covered positions as a result of the Operation Owner’s good faith efforts to make all aspects of its Affirmative Action Plan work.

C. The Operation Owner’s goals and timetables will not be developed or administered as quotas, nor will they be administered in a manner which discriminates in hiring, appointing, or promoting any individual on the grounds of race, color, religion, sex, national origin, ancestry, age, or handicap.

D. Goals and timetables will be projected, for appropriate positions, for minorities, women and handicapped persons. Goals and timetables will not be projected and utilized analysis will not be conducted on the basis of religion, age, or veteran status.

External Relationships: Unions, Employment Agencies, Contractors, Vendors

A. Nothing in this Plan should be interpreted as invalidating any lawful provision of any contract existing between the Operation Owner and a union, or other duly established bargaining agent of employees. Conversely, the Operation Owner will not be party to collective bargaining agreement, or any provision thereof, which violates EEO laws and regulations to which the
Operation Owner is subject. The appropriate officials of all unions and bargaining agents, with whom the Operation Owner has contracts, will be provided copies of this Affirmative Action Plan and be advised of the responsibilities of all employees, including union members, under it.

B. All contractors and vendors who enter into contracts with the Operation Owner who are subject to Executive order 11246, as well as any applicable state or local nondiscrimination law or regulation of the Contractor’s obligation thereunder, will be advised of the Operation Owner’s policy of nondiscrimination and the Operation Owner will not enter into any contract agreement in the knowledge or belief that the contractor or vendor will discriminate on prohibited grounds in employment. In appropriate instances, the Operation Owner will negotiate specific Affirmative Action measures in the applicable contract.

Staff Orientation in EEO

A. Supervisory personnel will be given orientation sessions regarding the provisions of the Affirmative Action Plan. Applicable Federal, State, and Local regulations and EEO law generally will also be covered. In addition to receiving copies of this Plan and its guidelines for implementation, training sessions will be periodically scheduled by the AAO.

B. All employees who have any direct responsibilities in the selection process will receive training regarding this Affirmative Action Plan and its guidelines, as well as general training with regard to the provision of equal employment law. Included among the topics will be the Operation Owner’s Affirmative Action Plan. Follow-up training sessions will be held periodically.

C. Special meetings or orientation sessions will be organized or developed by the AAO to inform non-supervisory personnel and employees of their rights and obligations under the Operation Owner’s Affirmative Action Plan.

Dissemination of the Plan

A. This Affirmative Action Plan, including its guidelines for implementation including annual reports submitted to the Ohio Medical Marijuana Control Program as a public document. One or more copies of each document will be kept on file and made available to interested persons upon request.

B. A copy of the Plan and guidelines will be given to each responsible employee.

C. A brief summary of the Plan will be prepared by the AAO and circulated to all employees. Each new employee will receive a copy upon hire.

D. Feature articles, follow-up items, and any changes will be included in appropriate newsletters or email communications to employees.

E. External recruitment sources used by the Operation Owner including unions, colleges and universities, and organizations specializing in the recruitment of minorities, women and handicapped persons, will be informed of the Operation Owner’s nondiscrimination policy and Affirmative Action Plan. They will be provided with copies of the summary of the Plan and requested to refer minorities, women and handicapped persons for all positions listed by the Operation Owner.

F. Additional steps in dissemination may be taken from time to time by the AAO.

Monitoring Performance

A. The AAO will maintain at least the following records in support of this Affirmative Action Plan:
i. Applicants for employment by race, color, religion, sex, national origin, ancestry, age, handicap and the sources of applicants (e.g. response to vacancy announcement on Monster, from job fair, employee referral, etc.)

ii. Test scores and rankings on eligibility lists, by race, color, religion, sex, national origin, ancestry, age, and handicap.

iii. Hires by race, color religion, sex, national origin, ancestry, age, veteran status, and handicap.

iv. Initial placement after hired, office/location to which the employee was assigned, and position by race, color, religion, sex, national origin, ancestry, age, veteran status, and handicap.

v. Transfer and promotions by race, color religion, sex, national origin, ancestry, age, veteran status, and handicap.

vi. Voluntary and involuntary terminations by race, color, religion, sex, national origin, ancestry, age, veteran status, and handicap.

B. The AAO will review all the above records at least annually to assure compliance with all aspects of this Plan, and prepare an annual report for the Operation Owner and the Ohio Medical Marijuana Control Program regarding compliance with the Plan and progress toward its objectives. This annual report, and other periodical reports deemed appropriate, will include recommendations for any changes the EEO Director or AAO believes are necessary for the program to better achieve its purpose.

C. The Annual Report on Affirmative Action and other appropriate reports will be circulated to all supervisory and managerial personnel of the Operation who have responsibilities under the plan. The AAO will seek explanations for the deficiencies, and aid in overcoming them where appropriate.

Ownership Entity ____________________________   Date: ____________
Officer of Company ___________________________ Time: ____________
(printed names and titles and signatures)

Non-Discrimination Clause

The Operation Owner will include the following Non-Discrimination Clause in all contracts. The Operation Owner understands the responsibility to require that its contractors and vendors include this clause in all subcontracts.

A. The _______ (print name & title of responsible person), hereinafter referred to as the “Owner/Contractor/Subcontractor/Vendor” shall not discriminate against any employee, applicant for employment, independent contractor or any other person because of race, color, religious creed, ancestry, national origin, age or sex.

The Owner/Contractor/Subcontractor/Vendor shall embrace affirmative action to insure that applicants are employed and that employees or agents are treated fairly during employment without regard to their race, color, religious creed, handicap, ancestry, national origin, age or sex. Such affirmative action shall include but is not limited to: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation and selection or training. The Owner/Contractor/Subcontractor/Vendor shall post in conspicuous places available to employees, agents, applicants for employment and other persons, a notice to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.
B. The Owner/Contractor/Subcontractor/Vendor shall state in advertisements or requests for employment placed by it or on its behalf, that all qualified applicants will receive consideration for employment without regard to race, color, religious creed, handicap, ancestry, national origin, age, or sex.

C. The Owner/Contractor/Subcontractor/Vendor shall send each labor union or worker’s representative that it has a collective bargaining agreement or other contract or understanding, a notice advising said labor union or worker’s representative of its commitment to this nondiscrimination clause and copy the Operation Owner. Similar notice shall be sent to every other source of recruitment regularly utilized by the Owner/Contractor/Subcontractor/Vendor.

D. It shall be no defense to a finding of noncompliance with this nondiscrimination clause that the Owner/Contractor/Subcontractor/Vendor had delegated some of its employment practices to any union, training program or other source of recruitment which prevents it from meeting its obligations. However, if evidence indicates that the Owner/Contractor/Subcontractor/Vendor was not on notice of the third party discrimination or made a good faith effort to correct it, such factor shall be considered in mitigation in determining appropriate sanctions.

E. Where the practices of a union or any training program or other source of recruitment will result in the exclusion of minority group persons so that the Owner/Contractor/Subcontractor/Vendor will be unable to meet its obligations under this nondiscrimination clause, the Owner/Contractor/Subcontractor/Vendor shall then employ and fill vacancies through other nondiscriminatory employment procedures.

F. The Owner/Contractor/Subcontractor/Vendor shall comply with all state and federal laws prohibiting discrimination in hiring or employment opportunities. In the event of the Owner/Contractor/Subcontractor/Vendor noncompliance with the nondiscrimination clause of this CONTRACT or with any such laws, this CONTRACT may be terminated or suspended, in whole or in part. Owner/Contractor/Subcontractor/Vendor may be declared temporarily ineligible for further state contracts and other sanctions may be imposed and remedies invoked.

G. The Owner/Contractor/Subcontractor/Vendor shall furnish all necessary employment documents and records to and permit access to its books, records and accounts by the contracting agency for purposes of investigation to ascertain compliance with the provisions of this clause. If the Owner/Contractor/Subcontractor/Vendor does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the contracting operation.

H. The Owner/Contractor/Subcontractor/Vendor shall actively recruit minority and women subcontractors or subcontractors with substantial minority representation among their employees.

I. The Owner/Contractor/Subcontractor/Vendor shall include the provisions of this nondiscrimination clause in every subcontract so that such provisions will be binding upon each subcontractor.

J. The Owner/Contractor/Subcontractor/Vendor obligations under this clause are limited to the Owner/Contractor/Subcontractor/Vendor ‘s facilities within Ohio or, where the CONTRACT is for purchase of goods manufactured outside of Ohio, the facilities at which such goods are actually produced.

Ownership Entity: ____________________________________ Date: __________________
Officer of Company: ________________________________ Time: ________________
Introduction
We have a robust plan to create and maintain the quality of our products. We are seeking a cultivation license from the state of Ohio in order to produce, high-quality medicine in low batches. We consider our production style to be “boutique” in nature. We will only cultivate three to five strains at a time, and will always hand-trim our product. We do not have the space or the inclination to mass-produce or “factory farm” medical marijuana. We intend to create brand loyalty by creating medicine that is consistent and pharmaceutical grade. The following pages contain our Quality Assurance plan. If changes need to be made to any part of this plan, we will announce our proposed change to the Medical Marijuana Control Program at least sixty days in advance of the change, in compliance with Ohio Admin. Code 3796:2-2-01(B)(1).

Part I: Packaging and Labeling
Packaging and labeling is an important part of the cultivation process. Some batches of flower will be transported directly to dispensaries, while other batches will be sent to a processor to be converted into one of the approved formulations. Regardless of the destination, the rules for packaging and labeling (Ohio Admin. Code 3796:2-2-02), are quite clear and our operation will comply with them fully. Within our cultivation facility, the Chief Compliance Officer is tasked with making sure the label format is legally compliant, while the Chief Operations Officer is in charge of making sure that each package receives an appropriate label.

We have retained a marijuana consulting company with experience in cultivation, processing, and compliance, to assist us in becoming operational. This consulting company is fully compliant in their home state. If granted a license, this company will help us hire and train employees, utilize their time-tested processes for all aspects of the business including cultivation, security, and packaging. They will assist in the development, measurement, and improvement of standard processes in all aspects of our operation. We are investing in expertise and knowledge transfer because we are committed to being a successful, compliant, cultivator and processor of medical marijuana in Ohio for many years to come.

We will link product labeling to our inventory control system so that label information is completed in the computer and labels are printed, inspected, and then placed on the correct package as part of product processing. This insures the link between medical marijuana plants and batches so that in the event of a recall we have the necessary data available to act quickly. This method of producing labels also assists in the proper tracking of marijuana inventory in real time. Surveillance cameras will be active at the work stations where labels are printed, inspected, and applied to product to monitor whether correct procedures are followed during packaging and label inspection, for security regarding the inventory of labels as well as to control the inventory of medical marijuana product.

All medical marijuana products intended for transport to a processor will comply with Ohio Admin. Code 3796:2-2-02(A). Packages will be shipped in vacuum-sealed, one-pound, plastic bags with the label clearly affixed to the front. Every shipment will be placed in a tamper-evident, light-resistant package that is approved by the department. Every package will have a label that states in legible English:

- The name and license number of the cultivator where the packaged material was cultivated and harvested,
The name and license number of the processor facility receiving the shipment,
The product identifier,
The registered name of the medical marijuana that was registered with the department,
A unique identification number that will match the medical marijuana with a batch and batch number to facilitate any warnings or recalls the department deems appropriate,
The date of harvest, final testing, and packaging,
The total weight in grams of plant material in each package,
The identification of the independent testing laboratory,
The laboratory analysis profile and a list of all active ingredients, including the percentage content by weight for the following cannabinoids, at a minimum:
  - Delta-9-tetrahydrocannabinol (THC)
  - Delta-9-tetrahydrocannabinolic acid (THCA)
  - Cannabidiol (CBD)
  - Cannabidiolic acid (CBDA)
The expiration date, which shall not exceed one calendar year from the date of harvest,
A statement with the following language: “This product is for medical use and not for resale or transfer to another person. This product may cause impairment and may be habit-forming. This product may be unlawful outside of the State of Ohio.”

All medical marijuana products intended for transport to a dispensary will be placed in a child-proof, tamper-evident, light-resistant package approved by the department prior to distributing plant material to a dispensary, and will otherwise comply with Ohio Admin. Code 3796:2-2-02(B). Packages will be shipped in vacuum-sealed, one-pound, plastic bags with the label clearly affixed to the front. A label will be affixed to every package and will state the following in legible English.

The name and license number of the cultivator where the packaged material was cultivated and harvested
The name and license number of the dispensary receiving the shipment
The product identifier
The registered name of the medical marijuana that was registered with the department
A unique identification number that will match the medical marijuana with a batch and batch number to facilitate any warnings or recalls the department deems appropriate
The date of harvest, final testing, and packaging
The total weight in grams of plant material in each package,
The identification of the independent testing laboratory,
The laboratory analysis profile and a list of all active ingredients, including the percentage content by weight for the following cannabinoids, at a minimum:
  - Delta-9-tetrahydrocannabinol (THC)
  - Delta-9-tetrahydrocannabinolic acid (THCA)
  - Cannabidiol (CBD)
  - Cannabidiolic acid (CBDA)
The expiration date, which shall not exceed one calendar year from the date of harvest,
A statement with the following language: “This product is for medical use and not for resale or transfer to another person. This product may cause impairment and may be habit-forming. This product may be unlawful outside of the State of Ohio.”
The use of computers in the packaging area will be a standard operating procedure. Sanitary measures for computers in the work area are well established from other industries and from other states processing medical marijuana. These measures include washable keyboard covers, the use of bar code readers and the routine use of sanitation, that complies with Ohio Admin. Code 3796:2-2-01(D). Surfaces will be wiped down daily, or more frequently if necessary. Because bar codes are used for electronic inventory control from seed to processing, plants are tagged with bar codes so scanning bar codes saves time and ensures good inventory record keeping in the processing area.

Employee work stations and computers will be equipped with bar code readers. This allows for the proper maintenance of the chain of custody as medical marijuana moves from one employee to another for different types, and stages of packaging.

As testing occurs, information will be added to the batch document in the computer system and if there are lots within the batch, the lot numbers are assigned to the batch. Testing by lot is also added into the computer system and linked to the lot number. Simultaneously employee information is collected as part of the batch data. This information aids in diversion prevention, but it is also necessary for monitoring quality and the differences in output and waste when different processes or strains are used.

The employee who logs into the computer for creating labels will be responsible to visually inspect labels against the computer batch record to ensure no labeling information is missing. When the employee hits print from the work station, his or her ID number (The ID number of the employee who is logged into that computer) will print on the label. Video surveillance can be used to verify that the employee who is logged into the computer is also the employee who is printing the labels.

The employee will need to identify the product type and the packaging type and the computer will identify which label needs to be loaded into the label printer. The form of medical marijuana and the size of the batch will determine the number of labels that are needed. The labels printed should match the number of packages.

Product in any form will not leave the cultivation facility without proper labeling. Employees will never end a shift without completing labeling of product that is in the process of being labeled. Once an employee prints labels he or she is also responsible for affixing them to the correct packages and checking the packaged product into a secured inventory location before ending a shift. Employees from the next shift will not enter the area where product is being labeled and packaged until a batch is completed and chain of custody can be completed for the entire batch.

The employee who is applying the labels to the package also has responsibility to visually inspect each package for signs of tears, malfunction, or contamination and to also attach the booklet label with information regarding the grower and standard warnings. If the same employee is also putting packages into a container for shipping to one dispensary he or she will also have their name on the shipping manifest. If the employee is putting packages into a container to be held in storage, their name will be on the tamper resistant label used to seal a container for storage.
Containers for storing inventory will contain only one type of product or form of medical marijuana and only from one batch. This container may be pulled from inventory to pack containers for shipping to a specific dispensary and the chain of custody for the container will be documented.

The tamper resistant label that will be affixed to containers of product going into secure inventory will contain the following:

- The unique identifier of the harvest batch and the process lot from the harvest batch connected to the specific product in the package.
- A bar code for the container that is linked to the inventory and the chain of custody for the inventory within the container.
- The name of the product and its form
- The date the medical marijuana form or product was packaged
- The employee identification number of the employee who packaged and labeled the medical marijuana.
- The date of expiration of the medical marijuana product in the container

Information is extracted from the data that has been entered throughout the manufacturing process to create a label that meets regulations and informs the patient of its contents. The inventory control system tracks which individual plants become part of a batch so the batch number listed on a label enables the company to manage a recall should one become necessary.

Labeling is affixed individually by a person whose identity is also listed within the label and who has responsibility for the quality inspection of labels to ensure they match the on-screen batch data and have been printed properly.

**Part II: Production Control**

We plan to cultivate indoors, under lights, and we plan to use hydroponic methods to cultivate. The term “hydroponic” is something of a misnomer. Hydroponic growing is simply the practice of growing plants without soil; it doesn’t have to mean growing in water. Hydroponic cultivation usually uses a substrate like rockwool, clay pebbles, coco coir, or some sort of mix of these materials. We plan to use a brand of pre-purchased, pre-sanitized, soil-less medium called Pro-Mix 5. When growing marijuana with a soilless medium such as Pro-Mix 5, the cultivation method must include a plan to provide all the nutrients the plants need throughout the entire cultivation process. This is done by adding nutrients to the water supply.

This is advantageous because it gives the grower greater control of the nutrients and the ability to reproduce the exact mix of nutrients that produce the best results within a particular strain. The downside is the level of expertise, testing equipment, and time that is involved in perfecting the nutrient practice. That is why we have selected a consulting firm that has experience establishing cultivation operations for medical marijuana in other states; we can leverage their expertise, and receive assistance in honing our standard operating procedures for testing and feeding throughout the cultivation cycle.
Unlike hydroponic grow medium, soil contains non-inert organic matter like humus, compost, manure, and worm castings that contain many macro and micronutrients. Much of the nutritional value in these substances is locked up in non-soluble form, however, and must be processed by soil-dwelling microbes and fungi to be of use to a plant. Non-organic nutrients designed for soil growing are less common for the cultivation of medical marijuana because they can quickly build up in the soil, harming the soil life as well as preventing the uptake of water and nutrients by the root system of immature medical marijuana plants.

The following list of nutrients is essential for the growth of medical marijuana in any hydroponic growing medium. If an incorrect amount of any of these nutrients occurs at the incorrect stage of plant growth, it may result in plant illness. Using each of these nutrients at the right stage, and in the right amount is therefore critical to producing pharmaceutical grade medical marijuana.

**Nitrogen (N)** is integral to plant growth. Plants convert nitrogen to make proteins essential to new cell growth. Nitrogen is mainly responsible for leaf and stem growth as well as overall size and vigor. Nitrogen moves easily to active young buds, shoots and leaves and slower to older leaves

**Phosphorus (P)** is necessary for photosynthesis and works as a catalyst for energy transfer within the plant. Phosphorus helps build strong roots and is vital for flower and seed production. Highest levels of phosphorus are used during germination, seedling growth and flowering.

**Potassium (K)** activates the manufacture and movement of sugars and starches, as well as growth by cell division. Potassium increases chlorophyll in foliage and helps regulate stomata openings so plants make better use of light and air. Potassium encourages strong root growth, water uptake and triggers enzymes that fight disease. Potassium is necessary during all stages of growth.

**Sulphur (S)** is a component of plant proteins and plays a role in root growth and chlorophyll supply. Magnesium (Mg) is found as a central atom in the chlorophyll molecule and is essential to the absorption of light energy. Magnesium aids in the utilization of nutrients, neutralizes acids and toxic compounds produced by the plant.

**Calcium (Ca)** is fundamental to cell manufacture and growth. Because our operation is soilless we use calcium to buffer excess nutrients.

**Manganese (Mn)** works with plant enzymes to reduce nitrates before producing proteins.

**Molybdenum (Mo)** helps form proteins and aids the plant's ability to convert nitrate into nitrite. Molybdenum is needed for the reduction of nitrate, which needs to be reduced prior to its assimilation by the plant.

**Zinc (Zn)** is a catalyst and must be present in minute amounts for plant growth. A lack of zinc results in stunting, yellowing, and curling of small leaves. An excess of zinc is uncommon but very toxic and causes wilting or death.

**Boron (B)** is necessary for cells to divide and protein formation. It also plays an active role in pollination.

**Iron (Fe)** is a key catalyst in chlorophyll production and is used in photosynthesis.

**Chlorine (Cl):** Required for photosynthesis where it acts as an enzyme activator during the production of oxygen from water.

The following nutrient blends are formulated by rigorous testing and have been used and rated by other growers to be safe and effective. They include essential nutrients and in some cases additional nutrients.
that have been discovered to assist the plant to accept the essential nutrients. These are products and nutrient blends we intend to use for different phases of plant growth.

<table>
<thead>
<tr>
<th>Product</th>
<th>Application</th>
<th>Ingredients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botanicare Cal Mag</td>
<td>Nutrient</td>
<td>Calcium Nitrate, Magnesium Nitrate, Iron EDTA</td>
</tr>
<tr>
<td>Clonex Clone Solution</td>
<td>Nutrient</td>
<td>Calcium Nitrate, Potassium Nitrate, Magnesium Nitrate, Ammonium Nitrate, Potassium Sulfate, Phosphoric Acid, Iron DTPA, Manganese EDTA, Zinc EDTA, Copper EDTA, Disodium Octaborate Tetrahydrate, Sodium Molybdate, Cobalt Nitrate, Nickel Sulfate, Thiamine Hydrochloride</td>
</tr>
<tr>
<td>Great White</td>
<td>Nutrient</td>
<td>Beneficial bacteria and mycorrhizae</td>
</tr>
<tr>
<td>NM Autumn</td>
<td>Nutrient</td>
<td>Potassium Nitrate, Potassium Phosphate</td>
</tr>
<tr>
<td>NM Equinox</td>
<td>Nutrient</td>
<td>Calcium Ammonium Phosphate</td>
</tr>
<tr>
<td>NM Lightning Start</td>
<td>Nutrient</td>
<td>Ascophyllum nodosum, Potassium Nitrate, Potassium Phosphate</td>
</tr>
<tr>
<td>NM PK Apatite</td>
<td>Nutrient</td>
<td>Potassium Phosphate, Apatite</td>
</tr>
<tr>
<td>NM Ruby Ful#$%</td>
<td>Nutrient</td>
<td>Sodium Molybdate</td>
</tr>
<tr>
<td>NM Summer</td>
<td>Nutrient</td>
<td>Potassium Nitrate, Potassium Phosphate</td>
</tr>
<tr>
<td>NM Winter Frost</td>
<td>Nutrient</td>
<td>Potassium Nitrate, Potassium Phosphate</td>
</tr>
<tr>
<td>pH Down</td>
<td>Nutrient</td>
<td>Phosphoric acid</td>
</tr>
<tr>
<td>pH Up</td>
<td>Nutrient</td>
<td>Potassium hydroxide</td>
</tr>
<tr>
<td>Plagron Green Sensation</td>
<td>Nutrient</td>
<td>Potassium phosphate, potassium hydroxide, phosphoric acid</td>
</tr>
<tr>
<td>Plagron Hydro A/B</td>
<td>Nutrient</td>
<td>Potassium Nitrate, Potassium Phosphate</td>
</tr>
<tr>
<td>Silica Blast</td>
<td>Nutrient</td>
<td>Potassium silicate</td>
</tr>
<tr>
<td>Hormex Concentrate</td>
<td>Nutrient</td>
<td>Napthalacetic acid, Indolebutyric acid, thiamine hydrochloride</td>
</tr>
</tbody>
</table>

Most nutrients sold specifically for cannabis cultivation are nutrients for plants growing in a soilless or hydroponic environment. These products are comprised of concentrated mineral salts, usually in liquid form but sometimes as powders, that are to be diluted in water to a level that is suitable for the plant. We have standard operating procedures that instruct employees on a consistent method for using nutrients or nutrient blends at different phases of the growing cycle to ensure the best outcome for the crop. Training is provided, and information regarding nutrients is recorded for each series of plants.

Nutrient products are divided between “Grow” solutions, high in nitrogen needed for vegetative growth, and “Bloom,” high in phosphorus for flower development, because the cannabis plant has different nutritional needs during different stages of growth. The amount and type of nutrients added is dependent
on where the plant is in its growth phase. Different nutrients and pH levels are used to encourage plant
growth early in the phase and to encourage flower growth later in the phase.

Great care will be taken when applying hydroponic nutrients, as overfeeding can lead to plant damage
and even death. Hydroponics and synthetic nutrients can offer bigger yields and quicker flowering times,
but require a great deal of attention and knowledge to be successful.

Water will come into the cultivation facility from the local municipality. We will filter the water through
ceramic and charcoal canister-style water filter systems to remove any contaminants in the water such as
softeners, chlorine, or fluoride so that we start our nutrient process with a blank slate. After filtering, we
will test the water to determine the pH level, we will add nutrients as needed, and then test the water
again before it is used on any plants. The degree of acidity or alkalinity of a solution is identified on the
pH scale of 0 to 14 with a pH of 7 being the neutral point. We will monitor the electrical conductivity
(EC) and the pH of the nutrient solution and use a buffering agent (sodium carbonate) if we need to raise
the pH. To lower the pH, phosphoric acid will be used.

The nutrient solution must be properly calibrated for the plant's stage, and so the solution must be tested
before each feeding. When watering a room or a segment of a crop, an employee will first walk the
entire section, inspect the plants to analyze water absorption and nutrient uptake. Water in reservoirs is
generally kept between 70-75°F. If the temperature in the reservoir exceeds 80°, the water in the
reservoir must be cooled before it is utilized for plant needs. Since hydroponic grow mediums are inert,
meaning they contain no nutrients, the only source of nutrients is the nutrients we deliver to plants with
water.

Total Dissolved Solids (TDS) is the best measurement of the nutrient concentration of a hydroponic
solution. A nutrient solution that is too weak, meaning that it contains too few nutrients will
insufficiently nourish the plant and produce a final product that is less potent than it ought to be. A
nutrient solution that is too strong, or that contains too high a concentration of nutrients, can burn or
even kill a plant. It is imperative that a nutrient concentration. To estimate TDS, we will use a meter that
measures the Electrical Conductivity (EC) of a solution, and convert the measurement to parts per
million (ppm), to document this information for every feeding. Nutrients are added to watering
reservoirs at time of feeding. Plain water is only given to plants during the end of the flowering phase
when they are being flushed prior to harvest.

The Cultivation Director will leverage the considerable experience of our consulting firm to establish the
process for generating weekly nutrient management plans as well as the help of a certified botany
specialist for generating weekly nutrient management plans according to plant inspection data.

Regarding pesticides, we will only ever use pesticides that are approved by the state of Ohio. In order to
be legally compliant with Ohio Admin. Code 3796:2-2-01(C)(1), any pesticides must be registered with
the Ohio Department of Agriculture, and must be:

- Registered with the United States Environmental Protection Agency under section 3 of the
Federal Insecticide, Fungicide, and Rodenticide Act, (7 U.S.C. 136 (2012)), or,
Exempt from registration under 40 C.F.R. 152.25(f)(2015) and the active, inert ingredients of the pesticide product are authorized for use on crops or plants intended for human consumption by the United States Environmental Protection Agency.

We will, of course, keep detailed records about which pesticides are applied, the technique used, and the frequency. In addition to being legally required, this is standard practice for many cultivation industries. For more information about our record keeping practices please see Part VI of the Quality Assurance Plan. Pesticides will never be applied after the twenty-first day of the flowering stage, in compliance with Ohio Admin. Code 3796:2-2-01(C)(3).

<table>
<thead>
<tr>
<th>Pesticide Product</th>
<th>Active Ingredient(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brandt Ecotec Plus</td>
<td>Rosemary Oil, Geraniol, Peppermint Oil</td>
</tr>
<tr>
<td>Cease</td>
<td>Bacillus Subtilis</td>
</tr>
<tr>
<td>GC-Mite</td>
<td>Cottonseed Oil, Clove Oil, Garlic Oil</td>
</tr>
<tr>
<td>Mildew Cure</td>
<td>Cottonseed Oil, Garlic Oil, Corn Oil</td>
</tr>
<tr>
<td>Green Cleaner</td>
<td>Soybean Oil, Sodium Lauryl Sulfate</td>
</tr>
<tr>
<td>M-Pede</td>
<td>Potassium Laurate</td>
</tr>
<tr>
<td>Neemix 4.5</td>
<td>Azadirachtin</td>
</tr>
<tr>
<td>Procidic2</td>
<td>Citric Acid</td>
</tr>
<tr>
<td>Tersus Insecticide</td>
<td>Pyrethrins</td>
</tr>
<tr>
<td>TetraCURB Concentrate</td>
<td>Rosemary Oil</td>
</tr>
<tr>
<td>Trilogy</td>
<td>Neem Oil</td>
</tr>
<tr>
<td>Tritek</td>
<td>Mineral Oil</td>
</tr>
</tbody>
</table>

The above pesticides will be applied from the clone stage to no later than the twenty-first day of the flowering stage to plants on a weekly basis. The use of all chemicals, (nutrients, fertilizers, and pesticides), will only ever be done according to the instructions on the label, in compliance with Ohio Admin. Code 3796:2-2-01(C)(8).

Proper sanitation is vitally important because it touches nearly every aspect of the business. Our company views cleanliness as a kind of insurance policy for our entire operation. A clean facility protects the health and safety of our employees, the quality of our product, and mitigates the risk of a potential product recall. We are happy and eager to meet the regulatory standards laid out by the state of Ohio, but even if this were not required, good business sense would require a comprehensive plan for maintaining hygiene. Our company fosters a culture of personal responsibility, and every employee is encouraged to be responsible for their workspace. We will also teach employees to maintain the equipment they use as well as the need for general tidiness of their workspace. We will have numerous handwashing stations placed throughout the facility. We will also mount several hand sanitizer dispensers to the walls at various locations.

Our SOPs are very specific as it relates to how growers should handle medical marijuana products in a manner which prevents contamination. Team leaders will use their discretion in determining whether a sick employee should be sent home so as to prevent airborne contaminants from potentially tainting our medical marijuana products or exposing other staff. Conditions which might cause a dispensary manager to send an employee home include cold symptoms such as coughing, sneezing, runny nose, nausea, vomiting, or rashes.
Quality Assurance Plan

Our SOPs prohibit any individual working on a licensed premises who has, or appears to have a communicable disease, open or draining skin lesion infected with Staphylococcus aureus or Streptococcus pyogenes, or any illness accompanied by diarrhea, or vomiting. An employee must be sent home if there is a reasonable possibility of contact with marijuana plants, or medical marijuana products until the condition is corrected.

We will stress to all of our employees that we produce medicine for patients. Our processes must be finely tuned to respect that fact. If we were producing Tylenol or any other medicine, we would be held to exacting standards by various levels of government, (and rightfully so). We must never let anyone’s enthusiasm for the plant take away from the overall goal of easing the pain in Ohio’s lives.

Quarantine of Materials and Equipment
We will grow all our own medical marijuana products ourselves and will not accept marijuana products such as clones or seeds from outside our own operations. We will also process only our own medical marijuana products and will never accept products from outside our own operation. These requirements specifically ensure that we do not contaminate our cultivation facility with either mold, pest issues, or diseases.

In addition, we will quarantine new materials used to produce medical marijuana such as soil, pots, lights, dehumidifiers and other equipment. We will set up a segregated portion of our bay area so that deliveries can be immediately stored while waiting for inspection by the facility manager. The inspection will involve ensuring that packages are not damaged or torn open, (specifically regarding soil and nutrients). Equipment like lights, pots, and dehumidifiers will be kept in the quarantine area until they can be wiped down with a 10% bleach solution before being implemented into the facility.

As for other materials which we use to produce marijuana, the facility manager will carefully inspect materials, such as packaging containers or CO₂ canisters for defects or torn packaging which could indicate contamination. If the facility manager determines that the material received does not pass inspection, it will be returned to the vendor. Materials will be kept in the segregated quarantine area so as to prevent any contamination from impacting the rest of the cultivation facility. If materials pass inspection, they will then be integrated into the facility.

When we clone or up-pot our plants, or move plants from the vegetative room to the flowering room, all equipment and work areas will be cleaned and disinfected with a 10% bleach solution. Irrigation systems used to bring water to plants will be periodically cleaned and disinfected with a 10% bleach solution. Pots will be disinfected before being re-used for new crops. Equipment such as trimming scissors and trim machines will be cleaned with alcohol at the end of each day or as needed. Flower rooms will be thoroughly cleaned after each harvest by cleaning the floors, walls and light fixtures with a 10% bleach solution. These tasks can be done by just about any employee, but ultimately, the Chief Operations Officer is responsible for ensuring it gets done.

Integrated Pest Management
We will use an Integrated Pest Management System. Integrated Pest Management (IPM), as defined by the Environmental Protection Agency (EPA), is an effective and environmentally sensitive approach to pest management that relies on a combination of common-sense practices. IPM programs use current, comprehensive information on the life cycles of pests and their interaction with the environment. This
information, in combination with available pest control methods, is used to manage pest damage by the
most economical means, and with the least possible hazard to people, property, and the environment.
IPM is not a single pest control method but, rather, a series of pest management evaluations, decisions
and controls. In practicing IPM, growers who are aware of the potential for pest infestation follow a
four-tiered approach. The four steps include setting action thresholds, monitoring and identifying pests,
predvention, and control.

- We will use a multi-tiered door system to prevent pest infestation. The doors into the grow
  facility as well as those into flower and cure rooms will remain closed at all times.
- Plants will be inspected daily including grow medium, stems, tops and bottoms of leaves and
  flowers, to check for early warning signs of a possible infestation.
- Sticky pads and tape will be used on both the inside and outside of all doors leading into the
  cultivation facility, flower rooms and the cure room.
- Our Training Manual includes pictures of different types of pests and plant illnesses, and what
  the resulting damage looks like on plants so that it is easily recognized. Upon recognizing one of
  these indicators, growers will be required to report potential problems to cultivation management
  immediately. All new employees will be trained on this manual at hire, and undergo a refresher
course every six months.

Diseases and pests, such as powdery mildew, spider mites and common rodents pose a real threat for
any grower facility. Powdery mildew and spider mites could destroy an entire crop whereas rodents will
leave droppings that make that the crop unsafe and unethical to use.

Powdery mildew is controlled via consistent and appropriate temperature and humidity. There are
several business entities in the medical marijuana market providing integrated systems which monitor
the environmental conditions in grow facilities. We will contract with one them, such as Nanolux’s
Cloud Control System, to install a system which will monitor, record, and regulate temperature,
humidity, ventilation, CO₂, pH and nutrient control, water drips, and lighting. At the heart of the system
is a software program which allows us to specify all of the parameters in each flower or veg room. It
controls all of the selected functions through wireless modem communication. The process involves
installing sensors with each thermostat, humidistat, ventilation duct, fan, and lighting control panel. The
service provider will monitor the integrated system remotely and will notify the Facility Manager if any
of the components behave outside of agreed upon parameters.

Once present, spider mites can only be eradicated through pesticides or predatory insects such as
ladybugs. Rodents are kept away through a combination of facility maintenance and general cleanliness.
We have installed screens on each ventilation duct entering our facility with a screen fine enough to
exclude most plant pests. In addition, we will install doors to each room that will remain closed to
prevent cross contamination. Doors into the facility will also be required to remain closed to prevent
pests from entering the cultivation facility.

Hygiene and Protective Clothing
Employees will wear gloves whenever handling medical marijuana, which helps prevent cross
contamination. Dust masks are used by employees when handling grow medium and when trimming
buds. In both instances, dust is often generated which could trigger allergic reactions or respiratory
issues. Employees will also wear foot coverings to ensure they are not tracking pests or other
contaminants from the outside. We provide a separated changing area further ensuring the quarantine of any potential pest or mold issues from entering the grow areas of our facility.

Employees will be required to wear a uniform when they are working in our facility, and this will be provided to them at no cost. When employees enter the building they will immediately go to the changing area, before proceeding to any veg or flower rooms. Before starting work, employees must change from their day clothes into a scrub-like uniform. The uniform will be in a neutral color, and will have long sleeves and long pants so that it will also protect the skin from UV exposure. At the end of their shifts, employees will change back into their day clothes and leave their uniforms on site to be laundered. This procedure helps prevent contamination. If, for example, an employee sprayed pesticides on their garden or lawn before coming to work, this procedure will prevent the spread of those pesticides onto our medical marijuana plants. For more information about our nutrient practices, please see Section 18 of this application. Employees will also be given industry-specific sunglasses to protect their eyes from UV exposure.

Employees are expected to groom themselves in accordance with accepted social and business standards. If the facility manager decides an employee’s standard of grooming is so poor that he risks contaminating plants, that employee may be asked to leave the facility until properly groomed. Employees who come to the facility sick might be asked to take the day off at the discretion of the facility manager.

Our Integrated Pest Management (IPM) materials must be handled as hazardous chemicals, with the utmost attention to personal safety. Personal Protective Equipment (PPE) such as a respirator, goggles, gloves, personal eyewash, and a spray suit is required. The spray suit is inspected for rips or tears before each application and replaced after 6 uses. At least two people are present during each IPM application to allow for immediate aid in the event one of the applicators encounters problems during or after the application. Eye wash stations are made available in several locations of the facility and personal eyewash bottles are carried by all applicators. Foliars, which are IPM sprayers, will only be administered by certified employees who have completed Respirator Safety Training and have received a medical evaluation regarding respirator usage. Before IPM application, signs are put up on all doors leading into the flower room being sprayed indicating that IPM is in the process of being sprayed and that no one may enter the room. These signs remain on the door for at least three hours after IPM application, or for the interval proscribed by the chemical’s manufacturer. After IPM application, the employee removes the spray suit and washes it in approved sinks. A SDS (Safety Data Sheet) is maintained at the grow facility for each IPM chemical used. As new chemicals are made available for use, a new SDS is added to the SDS binder. All chemicals used to treat plants at the Grow Facility are required to have proper labeling attached at all times identifying the ingredients and instructions for use displayed in any easy to read format. Under no circumstances is any IPM product used if the container is unmarked or the label cannot be read. Chemical containers are kept clean from drips and spills and are routinely checked to ensure the container has no cracks or leaks. Chemicals may be stored together, with the exception of bleach and ammonia, which must be segregated from each other. All chemicals must be disposed of in accordance with federal, state and local laws, rules and regulations.

Because of the manual nature of many of the activities associated with growing and processing medical marijuana, protection of the hands is a requirement. A variety of gloves exist that can protect against
dermal contact from compounds that could irritate, sensitize, puncture or cut the skin. Specific work processes and practices that may necessitate the use of gloves include:

- Pesticide mixing and application
- Manual trimming of medical marijuana
- Automated trimming of medical marijuana
- Cleaning processes
- Harvesting
- De-fanning
- Up-potting
- De-stemming

Extraction rooms are maintained similar to commercial kitchens and are cleaned repeatedly throughout the day. After each extraction run, equipment and work areas are cleaned with isopropyl alcohol. The floors will be swept several times a day and mopped at least once a day. Tables and countertops will also be cleaned with isopropyl alcohol several times a day.

All employees (or anyone who enters the lab) will be expected to wash their hands before entering. If an employee uses the restroom, or leaves the lab for any reason, she will be expected to wash her hands upon returning. This prevents contamination. Additionally, hand sanitizer pumps will be placed at several points in the laboratory and employees are encouraged to use them as often as reasonably possible.

Several trash cans will be placed within the laboratory, and they will be emptied and replaced daily, or more often if needed. Marijuana waste may NOT be placed within these containers. Marijuana waste is considered green waste and must be placed in an appropriate bin.

Cleanliness is monitored by checklists. Each room has its own checklist, and each employee is responsible for completing items on a checklist. The checklists are monitored, collected and replaced by the Facility Manager. Tasks include cleaning countertops and surfaces multiple times a day, cleaning floors, equipment and tools daily, cleaning fans and ventilation ducts weekly and cleaning rooms after each extraction run. Any issues will be reported to the Facility Manager as soon as they are discovered so that they can be rectified in a timely manner. Checklists and records of all sanitation processes and chemicals used are maintained for two years pursuant to our Records Retention Policies, and can be made available upon request.

Protective equipment helps to maintain cleanliness and prevent contamination. Employees doing work in our facility will be required to wear personal protective equipment, which includes but is not limited to the following:

- Latex gloves
- Shoe Coverings
- Hair Nets
- Beard Nets (if applicable)
- Goggles
- Respirators
- Lab Coats (must be 100% cotton and static free)
Respirators
Workers in the Grow Facility are encouraged to wear respirators during certain activities, including while trimming, during any activity that generates dust, and while spraying or mixing pesticides. OSHA requires that in any workplace where respirators are necessary to protect the health of the employee or whenever respirators are required by the employer, the employer shall establish and implement a written respiratory protection program with worksite-specific procedures. The program must be updated as necessary to reflect those changes in workplace conditions that affect respirator use. The written respiratory protection program includes several important details, but first and foremost, it must detail workplace specific tasks and hazards for which respirator use is required. There must also be a designated program administrator who is suitably trained to administer the respiratory protection program. Examples of qualified program administrators include safety professionals, industrial hygienists, and occupational health nurses.

Our company will contract with a nationally recognized company that provides services to help other businesses comply with OSHA and other safety standards. This company can provide on-site training and fit-testing for respirators. The training also covers proper selection, medical clearance, fitting and inspection of respirators as well as qualitative and quantitative fit testing.

All respirators must be certified by the National Institute for Occupational Safety and Health (NIOSH). For those employees who will be mixing chemicals or pesticides we will supply a respirator that provides eye protection as well. Employees with facial hair should not wear tight-fitting respirators because the facial hair will prevent a protective seal from forming and render the respirator less effective. Respirators must be fit-tested prior to initial use, in order to be sure that the respirator fits and seals properly.

Part III: Inventory Control
Diversion occurs when medical marijuana, or medical marijuana product is intentionally or unintentionally removed from the state-regulated system created by state statute. All too frequently, diverted medical marijuana benefits the black market, which creates a quantifiable public safety threat. The Ohio regulations specifically prohibit diversion, and the Cole Memo which was released by the federal Department of Justice in 2009, identifies diversion as a potential negative side effect of a lawful medical marijuana program. The leadership within the Justice Department has recently changed, but at the time of this writing the Cole Memo is still good law and therefore must be adhered to by anyone engaging in the cultivation, processing, or sale of marijuana. As such, we intend to be diligent in our commitment to preventing diversion during all phases of cultivation. In order to protect our communities, as well as our investment, we have created a comprehensive strategy to preventing diversion.

Inventory management is an integral part of preventing diversion and therefore is at the forefront of operations for our medical marijuana cultivation business. Ohio has mandated the use of an electronic tracking system. We will comply; we will use whichever electronic inventory management system is chosen by the state. While this is not required, we feel that utilizing the same software will ease reporting and cause fewer glitches. We have not made any promises to any software vendors, and we will not do so until we learn which system Ohio has chosen.
Regarding inventory management, it is important to note that in addition to state regulations there are well-established business practices for inventory control of medical marijuana in other states. This knowledge provides us with lessons learned and case studies from which we can draw expertise. Additionally, we have hired a consulting firm that has experience assisting other cultivators to prepare for operation, including the establishment of policies, procedures, and processes for inventory management. We have contracted with the consulting company for assistance for a full two years following the issue of a license to ensure we create a strong foundation for success and reach consistency in every aspect of our operation, including inventory management. Within our operation, there are two officers responsible for inventory control. The Chief Operations Officer is responsible for making sure that inventory (regardless of the stage of production) is always stored securely on our property. When inventory leaves our facility for either a processing facility, or a dispensary then the Chief Security Officer is responsible for the inventory up until it is accepted by the receiving entity.

Throughout this application, we have made numerous references to inventory management because it is so closely linked to cultivation, security, labeling, processing, recall, and other processes that are required for both compliance and sound operation of any medical marijuana cultivation business. Our thinking and our business approach is integrated; inventory management is an important aspect of our operation.

If granted a license by the Department, an electronic inventory tracking system will be installed and implemented to log, verify, and monitor the receipt, use, and sale of seeds, immature medical marijuana, medical marijuana plants, medical marijuana product, the funds received from the sale of medical marijuana, the disposal of medical marijuana waste, and any medical marijuana products that are returned or recalled, in compliance with Ohio Admin. Code 3796:2-2-04.

After Ohio makes its decision about which software the licensees are to use, we will install that software on computers in advance of bringing seeds or immature plants into the facility. At such time, we will test the software as well as train employees on the processes and procedures to be followed to comply with inventory management best-practices and state regulations. This will include testing the assignment of individual identifiers, printing bar code labels, testing data match between labels and the software, testing the capability and process to coordinate time stamp from video footage to time stamp within the inventory management system, and testing the use of scanners and computer screens (graphic user interface) that employees must use to complete tasks regarding each seed, immature medical marijuana clone, medical marijuana plant, and medical marijuana product. This testing will permit us to validate the accuracy of all task level procedures that employees will be expected to follow and the readiness of the software for use before launching inventory management.

Once testing is complete, the processes and procedures can also be used to create employee reference guides, training manuals, and on-the-job check lists that will be used in training employees and managers during ramp-up and as new employees are hired.

Ideal inventory management produces the right products, at the right time, in the right quantity, and in the right condition. Flower will be cultivated as required for the processing schedule as potency can be lost if flower is stored for long periods without proper processing and packaging. We will create First In, First Out stock movement plans for the rooms where flower is stored before going into the processing
lab. For example, where shelves are against walls, bins with flower will be individually labeled and the labels facing out to display the date the flower was harvested. A standard will be defined for how bins are stocked and where the date is displayed so that processing employees know how to easily select the inventory that should be used next.

We will begin with a single-period inventory system which assumes that we only order enough supply for one period of cultivation. When nearing the end of the supply, we will replenish the supply after assessing the requirements based on the level of demand and the cultivation or processing method as well. For example, the first period of cultivation will begin with seeds as stipulated and then will change to the use of clones from the original seedlings. The evaluation prior to purchasing for the next cultivation period is the advantage of using single-period inventory management. Otherwise, the demand for purchasing or cloning is automatically triggered by the inventory management system.

Tracking one period of cultivation separately and making any adjustments in inventory management processes and procedures before moving forward into a rolling inventory management approach allows us to leverage the expertise of our management consulting firm by including them in the evaluation cycles. Especially as a start-up, this system will assist us in remaining aligned with demand from customers as well as measuring the level of output that is optimal for our operation. It also allows us to evaluate suppliers between purchasing periods. Once demand remains more “level” we will be able to link purchasing demand to inventory management and combine single-period inventory into multiple-period inventory or a rolling inventory method by adding more time to the period.

We will develop both processes and procedures to manage raw material inventory verses finished goods inventory. In the case of medical marijuana, seeds, clones or immature plants, and mature plants and flower that has been harvested is all considered raw material inventory. Once the product is harvested, dried, cured, and packaged it will be added into the finished goods inventory. As raw goods inventory decreases, finished goods inventory increases. This allows us to capture data regarding the amount (by weight) of flower harvested from each plant as well. As time goes by and the amount of data increases it will become easier to spot any abnormality, whether that is plant yield, or the quantity of flower needed to yield a specific level of THC and amount of finished goods. Finished goods inventory and shipping manifests will validate each other and will also match accounts receivable allowing for inventory spot checks on a routine basis.

We will perform physical inventories comparing stock against the inventory recorded in our inventory tracking system on a weekly basis for both raw materials (medical marijuana seed, immature plants, and mature plants) and finished goods. We mandate the completion of regular inventory audits throughout the cultivation lifecycle to ensure that we can quickly identify instances of diversion and investigate. In addition, the electronic inventory system will track the employee who updated the inventory at each step so that we maintain accountability throughout the process. If we find discrepancies, it will be a simple process to find out who entered the information.

Training, retraining, supervision, documented procedures, and employee partnering are all areas we will employ and are currently developing to ensure consistent use of SOPs and the electronic tracking software for Inventory Management.
Quality Assurance Plan

Employees that work in cultivation will use wireless scanners to identify all plant activity. For example, it is typical that a percentage of seeds will not germinate. There will be an established process for inspecting all seedlings to identify those where the seed did not germinate. In such cases, the germination container will be scanned and the employee will remove the seed from inventory by selecting the reason from a list, or by adding a comment and the contents of the germination container will go into green waste.

When it is time to harvest flower, employees will print labels that contain the date, the employee identifier, and the plant identifier or bar code. Each plant will have a corresponding labeled container so that the link is not lost between plants and finished goods. This enables readiness for any potential recall.

Inventory management will commence when the first seeds are entered into the electronic tracking system before business has started, in compliance with Ohio Admin. Code 3796:2-2-04(B). Each individual seed will be given its own identification number and data will be entered pertaining to the strain, source, and the lot number for each individual seed. Each seed will be placed in an individual container for germination and a tag or label will be attached to each individual container with the barcode that matches the unique identifier that was assigned to the seed by the inventory management software.

After business operations have commenced, we will prepare weekly inventories of medical marijuana. In order to comply with Ohio Admin. Code 3796:2-2-04(C), the weekly inventory report will include, at a minimum:

- The date of the inventory
- The amount of medical marijuana on hand, which shall include the following:
  - The total count of plants, whether in the flowering, vegetative or clone phase of growth and organized by room in which the plants are being grown
  - The batch number, weight, and strain name associated with each batch at the cultivator’s facility that has been quarantined for testing or ready for sale to a processor or dispensary; and
  - The total number of plants and every unique plant identifier that have been harvested, but are not yet associated with a batch
- The amount of medical marijuana sold since the previous weekly inventory, which shall include the following:
  - The date of sale
  - The license number and name of the processor or dispensary to which the medical marijuana was sold, and
  - The batch number, registered product name, and the quantity of medical marijuana sold
- The date, quantity and method of disposal of medical marijuana sold, if applicable
- A summary of the inventory findings; and
- The name, signature, and title of the employees who conducted the inventory and oversaw the inventory
Part IV: Disposal and Waste Removal

Green waste is the umbrella term that describes refuse that originates from the cultivation or processing of medical marijuana and is a normal part of cultivation. As with the cultivation of any plant there is a certain amount of waste that is generated. Marijuana plants are annuals, which means that they perform their entire life cycle in one growing season, unlike biennials or perennials which perform their life cycle across two or more growing seasons. This means that at the end of every growing season, (which is approximately 76 days), there is a lot of organic plant material that will need to be removed from the facility. In the case of medical marijuana, green waste could present a risk of diversion or other unlawful activity in, or around the cultivation facility. We have a duty to take all necessary steps to prevent diversion and we will take numerous steps to keep any green waste from appearing on the black market, or otherwise being handled improperly. The company also intends to be as environmentally-friendly as possible in its approach to waste management.

Green waste includes:
- Medical marijuana flower that has been dropped on the floor or is otherwise unsanitary to use after it has been harvested,
- Stems and leaves that are manually separated from the plants during pruning, defanging, and destemming processes,
- Stems and leaves that are separated when the flower is trimmed, (either by hand or by machine),
- Any medical marijuana plants that have suffered a deviation from our Standard Operating Procedures and which may be ineffective medicine for our patients, or which may cause harm to our patients.
- Any medical marijuana products that have been recalled, or returned to the Cultivation Facility. These products will be destroyed once all investigations, (either by the state of Ohio, or an internal investigation), have been completed.
- Plants that have been contaminated by pests, mold or other contaminants that could potentially harm patients,

Green waste is created at several different stages during cultivation and processing. It will be weighed and logged at four points:
- when plants are pruned during the cultivation phase,
- during a harvest,
- during the destemming phase,
- when flower is trimmed,

At each point, the waste will be weighed with a certified, calibrated scale, logged in a waste log, and then the inventory weights will be adjusted within the inventory tracking system. Before it can be weighed, all green waste is grouped by license and strain, so as to maintain batch consistency. Once all weights are recorded in our electronic tracking software, the material is placed in designated green waste bins. These bins will be labeled and placed conspicuously on the premises. These bins will only ever be kept in Secure, or Limited Access areas within the facility and will never be kept outside. All employees will be made to understand that these bins are solely for green waste, and not for any other type of waste or trash.
When a sufficient quantity of green waste is collected, it will be taken outside, and run through a mulcher along with used and depleted soil. The soil will come from our own cultivation of medical marijuana. The mulcher will grind the plant matter while simultaneously stirring it into the soil so that the resulting mixtures is unidentifiable as medical marijuana. Ohio regulations and industry standards both demand that the resulting mixture must be less than 50% green waste, (Ohio Admin. Code 3796:2-2-03(B). Mixing green waste will only ever be done by a Type 1 Key Employee, in compliance with Ohio Admin. Code 3796:2-2-03(C).

After green waste has been combined and ground with soil, it will left on our property, outside the facility in a locking dumpster. This should have absolutely no value to potential thieves, which is why we feel comfortable leaving it outside on our secured, and gated facility. However, we will also have lights and a security camera that is capable of recording anyone trying to break into the dumpster. From that point the mixture will be used as compost. We will hire a service contractor that is capable of removing the green waste from our property and incorporating it into other compost materials.

**Waste Water**

Currently, we are estimating that we will use one liter of water, per plant, per week. This assumes three feedings per day, which is quite high, and takes into account the waste water that will be generated by . In order to be sure that our sewer and water removal system can handle the burden we are purposefully estimating a higher-than-likely water usage. The water usage estimate corresponds with an 11% runoff average, meaning that 11% of the water runoff will contain pesticides and nutrients. This is in line with the industry standard, which is 10% runoff. We will treat and dispose of the wastewater generated from the growing and processing of medical marijuana in accordance with applicable laws and regulations.

Rinsante is the term that describes pesticides that have been diluted with water. Foliaris, sprayers, and empty containers will all need to be rinsed before they can be reused or disposed of. Due to the potent nature of the chemicals that we work with, containers must be rinsed in such a way, so that the resulting mixture does not go down a drain. When an item needs to be cleaned, the technician will rinse it with water, while swishing the water in the container. When rinsed, the water in the container will be dumped into a Rinsate Barrel, that is set aside and labeled for this purpose. We will contract with a service provider who will remove the waste water and dispose of it safely.

**Recycling**

The company will have full recycling on-site. Items that can be recycled include thoroughly rinsed nutrient containers, broken or unusable pots, broken or unusable plastic buckets, as well as every-day items such as drink bottles. Employees will be encouraged to recycle anything that can be recycled.

**Trash**

Like any business, we anticipate generating a certain amount of waste. Trash bins will be placed throughout the facility, and are for general refuse only. For example, used food containers that cannot be recycled, soiled rubber gloves, used face masks, broken or soiled eye protection, soiled or discarded booties.

**Part V: Adverse Events and Recall Procedures**
If there is any event that triggers a recall, we can trace plants all the way to finished goods or trace backwards from a dispensary’s point of sale system, to the batch numbers, to individual plants. If there is a recall, product returned to the processing facility will be stored in vacuum-sealed bags and quarantined away from other plant materials and other products. The inventory will be entered back into finished goods inventory with a location as quarantined and the electronic tracking system will note these finished goods as returned by recall. After all investigations are completed, the material will be destroyed so that it is beyond recovery or returned to regular inventory for sale if it is discovered to be safe.

The result of an investigation may indicate that changes are needed in processes, SOPs, employee training, or in a vendor, supplier, or product. Whatever the case, a swift and thorough response will be made to the findings to ensure any problems are corrected. All activities will be reported to the Department of Health.

Should a serious event occur to a patient, (such as a severe allergic reaction), that triggers a recall, we will cooperate in all possible ways to ensure testing of the batch or product to determine if there are any contaminants. If it is discovered, for example, that the patient is allergic to medical marijuana and there is no contaminant present, this is an example of when we would place any unopened product from the batch back into the finished goods inventory for sale.

When a patient purchases product at a dispensary, the same batch number is printed on the product label and again on the receipt. (For more information about our packaging and labeling procedures, please see Section 13 of this application.) If a contaminant is discovered, our inventory management data includes the physical location of the plant, which nutrients were used, if any pest management solutions were used and which ones, which room was used to store the flower and what employees were involved in handling, processing, packaging and labeling. We will conduct inspections and testing for the contaminant to locate the source of the problem as quickly as possible so that if a larger recall is necessary we can conduct that to minimize or eliminate any health risk to additional patients. When dispensaries, processors, and growers work cooperatively during a recall it is possible to identify each individual patient and his/her physician in a very short time.

We will document any and all complaints made about the finished goods that we produce and distribute. If a complaint implicates the health or wellbeing of Ohio patients, we will quickly investigate by identifying the batch that generated the complaint. The inventory tracking system can confirm whether that batch received a positive certificate of analysis from our laboratory service provider. We will retain batch samples in five gram increments in a secure room for up to a year after the expiration date, which will enable us to conduct a retest.

If a batch of our product is retested and it fails to meet specifications, we can easily identify and notify all the patients who purchased from that batch. Our compliance department would craft our recall notification indicating the batch impacted and the reasons behind the recall.

In the event that a living plant or plants need to be removed from the cultivation area, each plant would be scanned and removed from inventory and then disposed of in accordance with our green waste procedures.
**Part VI: Record Keeping and Regulatory Compliance**

In addition to having personnel dedicated to the growing and processing of medical marijuana our company will also employ the skills and expertise to manage business operations responsibly and compliantly. Every small business has a requirement to keep good records, and cannabis businesses are no exception. In fact, because the cannabis industry is a highly regulated industry that works with controlled substances, public safety, and cash, it requires special attention to recordkeeping and process maturity. Within our operation, the Chief Compliance Officer is responsible for storing and managing all records.

According to the Association of Records Managers and Administrators (ARMA), a business record is a hard copy or digital document that records any business dealing. Not only must the record be accurate and easily retrieved, the processes surrounding its creation and retrieval must be understood by employees, customers, and those who oversee compliance to consistently deliver a full and accurate record.

The collection of data and records has exploded over the last decade making it critical for businesses to have a plan at the onset for how they will manage records. The cost of taking inventory of records in order to properly categorize them several years later is cost prohibitive, so it stands to reason that we would want to begin with good record management practices.

The Chief Compliance Officer will be responsible for ensuring that the records management plan supports compliance. Additionally, the Chief Compliance Officer will review and approve of all SOPs or revisions thereof so that she has firsthand knowledge of any operating procedure that has impact to records or compliance reports.

The size of the operation does not support having a full time, certified Records Manager, however we will provide membership to the local chapter of ARMA and support several employees attending monthly meetings and conferences so that records management best practices and knowledge continue to grow within the organization.

The following chart is an initial list of records that will be kept and the department that is responsible for keeping and managing them.

<table>
<thead>
<tr>
<th>Record Name</th>
<th>Accounting &amp; Finance</th>
<th>Affirmative Action/HR</th>
<th>General Business</th>
<th>Government Compliance</th>
<th>Cultivation Operations</th>
<th>Inventory and Recalls</th>
<th>Legal</th>
<th>Security and Safety</th>
<th>Training &amp; Education</th>
<th>Compliance</th>
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<td>Business Articles</td>
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<td>Processes and procedures for the use of pesticides, fungicides, herbicides</td>
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Quality Assurance Plan

<table>
<thead>
<tr>
<th>Cultivation logs; detecting pests, detecting pathogens, and measures taken if detected.</th>
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<tbody>
<tr>
<td>Cultivation logs: the use of nutrients, fertilizers, additives.</td>
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<tr>
<td>Video Surveillance</td>
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<td>Contamination protocols</td>
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<td>Security Protocols</td>
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<td>Cleaning &amp; sanitation of equipment</td>
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<td>Equipment maintenance</td>
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<td>Quality Control</td>
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<td>Inventory reporting procedures</td>
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<td>Inventory discrepancy investigations</td>
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<td>Inventory Recall Plan</td>
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<td>Daily backups for inventory, labels, and all electronic records</td>
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<tr>
<td>Electronic Inventory and Tracking Data</td>
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<td>Security &amp; Surveillance</td>
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<tr>
<td>Security &amp; Surveillance Maintenance</td>
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<tr>
<td>Security &amp; Surveillance Testing</td>
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</tbody>
</table>

**Records Retention**

A records retention schedule will be established for each type of record as part of becoming operational and this will be accomplished by consulting each regulation and requirement to see if any record has a shorter retention period. Ohio Admin. Code 3796:2-2-08(A) require that we retain most types of records. We will also have record retention schedules for the records produced by each business activity or standard operating procedure, (for example, resumes and applications from job applicants). This will also prepare the company to equip employees with records management job aides for consistent record retention and record maintenance behavior across shifts and different segments of the operation.

Records will not be kept longer than required. Ohio Admin. Code 3796:2-2-08(A) requires that we retain most types of records for five years. It’s a generally accepted best practice in all industries to eliminate records that are not required as a proactive step to reduce the expense of storage, employee time to dig through outdated records, and the cost of producing discoverable records.

That said, even though the retention schedule is five years, if a specific strain was started from seed and we are still producing clones from the original strain, we will retain relevant records for the strain as long as the strain is being cultivated.
Vendors and Records Management
The company takes responsibility for record keeping compliance in all areas of the operation including those areas of the operation that are managed by vendors. The ability to meet this requirement will be used as criteria for selecting a security and surveillance vendor. The vendor’s capability will be documented into the vendor agreement and a standard operating procedure (SOP) will be developed regarding the work flow between our company and the security vendor in order to ensure our readiness to comply from the first day of operation.

Employee Training Regarding Business Records and Compliance
All employees who have responsibility for creating, handling, or maintaining records will receive training and job aides regarding the procedures they need to follow. A general summary of records is included in the table above as a demonstration of our understanding that records consist of many different types of documents and data and are important for many different areas of compliance from inventory to taxation.

All new employees, as part of employee orientation, will receive a document to sign informing them of their responsibility to comply with record management and record retention schedules. All employees will be provided general training about what is considered a record, where to look to determine the retention schedule for different types of records, and who to ask when there are questions. Each employee who produces an official record needed for any area of compliance or who maintains any portion of an official record as part of his or her job will be provided training regarding the importance of accurate recordkeeping and proper retention.

Equipment Maintenance
We will have checklists for every room in our facility (ie., clone room, veg room, flower room, cure room) which includes cleaning and maintenance tasks. Each day, employees responsible for those rooms note their progress on provided checklists confirming that tasks were completed and cultivation management reviews them to ensure compliance. Tasks include items such as cleaning equipment and tools daily, cleaning fans and ventilation ducts periodically and cleaning rooms after harvest. Maintenance tasks will include ensuring that equipment such as dehumidifiers, fans, lights, thermostats, and humidistats are kept in working order.

The Chief Compliance Officer is in charge of keeping maintenance logs for all equipment. She will use an online system which tracks maintenance requests, the date the tasks were completed and any issues experienced. Reports are created detailing maintenance history on any piece of equipment or areas requiring it. Some equipment such as scales, and all of the high-tech instruments in the processing room will require periodic calibration. We will keep a log of all calibrations; the Chief Compliance Officer is responsible for making sure that this log is kept current.

Disaster Recovery
Our records management plan includes a plan for disaster recovery. The disaster recovery plan will include the procedures for frequency and type of back up for electronic data and, the storage of these backups at a second physical location. Electronic systems that track cultivation activities and inventory movement will automatically back-up at frequent intervals throughout the day and the backup will be copied to a second location; either cloud or a storage tower at a different physical location. Paper records
that are needed to demonstrate compliance but are not needed for daily operation will be stored at an off-site secure facility until their date of destruction. One example of paper records would be the job posting and applicant information for a position that has been filled. Other paper records such as documents signed by customers to accept shipments will be scanned to folders that have back up schedules to serve as disaster recovery files.

**The Destruction of Records**

Records will never be destroyed, even if they are labeled and dated for destruction, without first receiving the approval of the Chief Compliance Officer. This policy applies to electronic as well as paper records and ensures that records under legal hold or that have extended value due to changes are not destroyed by accident or intention. Safe guards will be placed on employee desk tops to ensure that employees do not have the capacity to erroneously or intentionally destroy electronic records that are necessary for operation or compliance. This includes the destruction of email or documents that are stored on desk top computers or shared drives.

**Sample Audits**

It will be the responsibility of the Chief Compliance Officer and the manager of operations to plan routine sample audits to ensure employees understand how to comply with all aspects of the records management plan, policies, and procedures. When any sample audit discovers an area of non-compliance, the Chief Compliance Officer will conduct a larger sample and take the necessary steps to train employees and make corrections.

**Individual Records Management Plans**

Individual Records Management Plans will be created for each of the following areas. The business operation may decide on a “Shared Services” model where accounting & finance, Human Resources, and Information Technology work under one leader to achieve business success, however, record keeping best practices still view these areas separately so we plan to align our Records Management Plans to these specific areas. There are areas of overlap such as employee background checks which could be considered an HR record or a Government Compliance Record. As a business operation we will work to eliminate redundancy between the Records Management Plans and identify an owner for each record type which is a recommended practice by ARMA.

**Accounting & Finance**

The records management plan for accounting and finance (compliant with Ohio Admin. Code 3796:2-2-08(A)(2), and Ohio Admin. Code 3796:2-2-04(C)), includes the following:

- All records that detail the cost of goods sold (COGS) including supplies necessary for growing, labeling, testing, packaging and transporting medical marijuana to dispensaries.
- All records pertaining to cash transactions. While marijuana related businesses generally choose to do business in cash because of the lack of payment processing options available to them, the Business must create and maintain accurate reports of cash transactions, including sales, employee wages, and vendor payments. For payments over $10,000, reporting is required by the IRS. Businesses receiving more than $10,000 in cash from a single buyer as a result of one transaction or two or more related transactions, must report these earnings via Form 8300, Report of Cash Payments Over $10,000 Received in a Trade or Business. Copies of the filed forms should be maintained for 5 years. The IRS also requires that you deliver a statement to the
customer who made the payment by January 31st of the following fiscal year, which details the total amount of cash your business received within a 12-month period.

- All records to comply with the Internal Revenue Code Section 280E which is concerned with the taxation of illegal income.
- The chart of accounts and book keeping records.
- Invoices and receipts. The paper trail that illustrates expenditures and sales is important to meet the requirements of the IRS and the Commonwealth. Invoices and receipts will have a designated area for electronic storage and if received in hard copy will be scanned.

**HR/ Affirmative Action/Diversity**

The records management plan for HR/Affirmative Action/Diversity includes the following:

- Human Resources records management: employee information including social security numbers and information which must be kept secure due to HIPPA regulations and the personal safety of employees. It also includes performance reviews, salary information, disciplinary activity, and keeps a record of necessary certifications and licenses that are required to retain positions such as CDL licenses or lab technician certifications.
- Affirmative Action records management includes record of recruitment, where and how recruitment was conducted, the response that were received, which individuals were interviewed and who was hired. Affirmative Action records also include pre-hire employment testing data and how applicant’s learned of open positions. These records must be maintained so that the Affirmative Action Officer can analyze the result and work toward the continuous improvement of reaching a diverse pool of employees as well as for completing the annual Affirmative Action report to the Pennsylvania Department of Health.
- Additional records that need to be included in the HR Records Management Plan are the records of progress against the diversity plan, the employee handbook provided to new employees, employee benefits, job descriptions and qualifications (knowledge, skills, and experience required for each position), records regarding the distribution of incentives and rewards, and record of employee available benefits such as paid sick time or vacation time.

**Government Compliance**

The records management plan for Government Compliance includes the following:

- Management of the information that was required for and attached to the application for License submitted to the State of Pennsylvania. This includes the criminal history and fingerprints for the principals, financial backers, operators and employees.
- Management of records that provide proof of an adequate amount of comprehensive liability insurance that covers the medical marijuana organization’s activities authorized by permit.
- Management of Standard Operating Procedures (SOPs) in the following areas: sanitation, equipment maintenance, cultivation environmental tracking (including the use of pesticides and nutrients), labeling, security, transport manifests, inventory control tracking requirements, disposal of medical marijuana, product recalls, and the identification and management of plant problems or disease including quarantine.
- A plan that identifies where the reports and data exist within the organization to confirm SOP compliance; a map from the compliance requirement to the document, report, procedure, or data
so that compliance reporting requirements can be easily met and internal compliance with SOPs can be easily reviewed.

**Cultivation Operations**
The records management plan for Cultivation Operations must explicitly link the data from cultivation to the specific plants being cultivated and tracked by the electronic inventory control system. We will contract with Nanolux’s Cloud Control System, to install a system which will monitor, record and regulate temperature, humidity, ventilation, CO₂, pH and nutrient control, water drips and lighting. At the heart of the system is a software program which allows us to specify all of the parameters in each flower room. It controls all of the selected functions through wireless modem communication. The process includes installing sensors with each thermostat, humidistat, ventilation duct, fan, and lighting control panel. The service provider will constantly monitor the integrated system remotely, and will notify us if any of the components behave outside of agreed upon parameters. Maintaining adequate records about our cultivation processes is good business practice and complies with Ohio Admin. Code 3796:2-2-08(A)(7).

The records management plan for Cultivation Operations includes the following:
- Records that link clones to seeds, and links cultivation data to specific plants including the record of nutrients, pest control, environmental factors such as humidity and temperature, and the video surveillance footage from the cultivation areas which is also a verification of employee activity including the use of proper protective gear, correct disposal, correct inspection, and correct application of nutrients during the cultivation of medical marijuana.
- Records that describe which nutrients, pesticides, or fertilizers were applied to which plants, when it occurred, and by which employee.
- Management of Standard Operating Procedures (SOPs) in the following areas: cultivation environment including lighting, humidity, and temperature; plant inspection and inspection reporting, how to use and properly record the use of pesticides and nutrients, how to identify plant problems or disease including how to quarantine and what records need to be created for these activities.

**Inventory and Recalls**
Maintaining inventory records complies with Ohio Admin. Code 3796:2-2-08(A)(6). A product recall puts people and brands at risk and can have devastating consequences on a company’s reputation, as well as the bottom line. We have demanding standards that will be met by our cultivation and processing teams and we hope to avoid a recall for the life of our business. Nevertheless, we have a strong commitment to proper planning and having the correct systems in place so that a recall event can be effectively managed to mitigate the risks to public safety and brand damage. A primary component of our plan is the use of robust electronic inventory control software that will be prescribed by the state of Ohio. This includes obtaining or creating the training necessary to ensure proper and consistent use of the software by employees.

The records management plan for Inventory and Recalls includes the following:
- The use of an electronic inventory control system that tracks each plant from seed through processing and provides information within manifests and labels that make managing a recall possible.
• Linking cultivation data to specific plants so the use of approved pesticides and additives can also be used to define a recall should there be any instance where a recalled product has been used in our cultivation operation.
• Linking shipping manifests to specific plants so that it is possible to determine what customers are affected by a recall.
• Management of Standard Operating Procedures (SOPs) for how to conduct a recall for medical marijuana products and how to partner with customer dispensaries to conduct outreach to the public or medical marijuana users for recalls if necessary.
• Working with the compliance officer to periodically conduct a mock recall or walk through of all the processes and procedures and ensure each employee understands his or her role and where to find critical information.
• Management of the records that define and verify backup and recovery protocols for the electronic inventory control software.

Security and Safety
An evaluation of the facility will be conducted to create a comprehensive plan for both safety and security that includes parking lots, employee entry, the use of vaults, safes, and secure rooms, and proper safety equipment. The plans, testing, implementation, and maintenance of all security equipment and protocols will be documented and have a records management plan.

The records management plan for Security and Safety, compliant with Ohio Admin. Code 3796:2-2-08(A)(5), will include:

• The creation and management of a quick reference guide and cross reference map from each security and safety compliance requirement to a document or record within the operation. In some instances, the hyperlink or reference will be to a third party contract and other times to a folder or SOP. The use of the cross reference map is primarily to eliminate redundancy in record keeping and to ensure the Security Officer has visibility to all documents and individuals within the operation who have assigned responsibility for security related records. Security records include background checks, information captured by video (tapes or digital format) which must be retained a minimum of 4 years, map of surveillance cameras, record of installation and inspection of locks, silent alarms, and other security devices, as well as, any document where a member of the security team is required to sign as witness to a procedure and any SOP regarding the safeguarding of the Company employees, property, or product.
• The Director of Security will be responsible for the accuracy and completeness of all security operating procedures and records. This includes the records that document investigations into any discrepancy in product inventory or cash.
• Records will be scanned or created electronically so they can be stored in a secure folder and included in system backups and disaster recovery protocols.

Training and Education
Training and education will be recorded as part of each employee’s personnel record which is under the responsibility of Human Resources. Record of licenses, certifications, or education that is required for employment will be verified as part of the hiring process and the official transcript or verification will be
part of the employee personnel file. When employees are required to maintain certifications or licenses as a condition of continued employment, all record of courses and continuing education that contributes to the license or certification will also be kept within the personnel file by Human Resources.

The records management plan for Training and Education includes the following:

- Human Resources will be the official depository of all training and education records.
- Supervisors and Managers will track on the job training against SOPs using excel spread sheets and provide reports of all training and education activities to HR.
- State mandatory training will be tracked by Human Resources and attendance verified by Human Resources as a condition of continued employment.
- Security and safety training provided by the Chief Security Officer will be tracked by the Chief Security Officer in excel sheets and reported to the Chief Compliance Officer.
- Records of who received financial support for training and education including memberships to professional organizations and attendance at conferences will be tracked for affirmative action including dollars and opportunity by race, age, sexual orientation, and disability.
Part I: Surveillance Technology and Physical Security
Our Chief Operations Officer is a navy veteran, who was attached to a SEAL team before he was injured during an exercise in Haiti. He has experience managing security equipment and security professionals. We are happy to have him as a member of our team because he is better able than most to implement and monitor our security policies and procedures.

A comprehensive security plan is an integral part of any compliant marijuana cultivation operation. The medicine we produce is highly valuable on the black market and that makes our business a target in the eyes of criminals. In order to prevent diversion, protect the safety of our employees, as well as our investment, we have developed an ironclad security system with a number of built-in redundancies.

Maintaining a safe and secure cultivation facility is accomplished with a three prong approach: Surveillance, Training, and Access. First, we must adequately surveil the facility with a combination of recording and alarm systems. We must also limit access to the facility to employees, deliveries, and approved visitors. The last prong is training: all employees must be appropriately trained to handle a sudden, adverse event, as well as daily security precautions. This is done via a deluxe database of SOPs.

The Chief Operations Officer is responsible for implementing the policies in this plan into practices.

We will select a security contractor and we will work with them to create a comprehensive security system that includes adequate lighting, recording, and alarm functions once the department publishes a list of approved vendors, (in compliance with Ohio Admin. Code 3796:2-2-05(A)(3). All systems will be inspected and tested at least once a year by the qualified vendor. The following paragraphs provide a general overview of the services they will provide for our facility.

Lighting
We will ensure that every area of the cultivation facility is properly lit, inside and out, in compliance with Ohio Admin. Code 3796:2-205(A)(6). Except for storage and restroom areas, lights will be kept on continuously during business hours. It is a good safety practice to ensure that employees can always see the areas around them in order to prevent accidents and injuries. We will use widely-distributed low-intensity lighting because high-density lighting can create blind spots for security cameras and personnel. Lighting will be installed in a manner that makes it difficult to tamper with (suspending lights from tall poles, or attaching it to the roof of the building), and will be installed with a backup power supply so that security lights will stay on if power is lost.

Video Surveillance and Recording System
Our management company operates over 160,000 square feet of cultivation space, broken up into several facilities. We are drawing from their considerable experience in order to make our facility as safe and secure as possible. The professionally monitored, video surveillance system we intend to use will employ motion-activated cameras as required by Ohio Admin. Code 3796:2-2-05(B)(1). We intend to use cameras capable of delivering 9600 DPI video with an image resolution of at least D1, in compliance with Ohio Admin. Code 3796:2-2-05(B)(4)(d), and Ohio Admin. Code 3796:2-2-05(B)(4)(h).
The recordings will be kept off-site at the headquarters of our Security Contractor. Off-site storage makes the retention of evidence almost full-proof, in the event of a theft or robbery. Authorized personnel, law enforcement, and the department can watch recordings in real time, (as required by Ohio Admin. Code 3796:2-2-05(B)(4)(a)), or access previous recordings through the DVR which will remain on-site. We will also be able to access real time or past video recordings offsite at our corporate headquarters. Our Chief Operations Officer has the ability to install software so that select managers and executives can view recordings from their laptops and even from their smartphones. All recordings will be maintained on our servers located at the Security Contractor’s corporate headquarters for a minimum of forty-five days, in compliance with Ohio Admin. Code 3796:2-2-05(B)(5). Our surveillance system will provide date and time stamps which will be clearly visible on every recorded frame. Our Chief Operations Officer will be responsible for granting access to select, approved managers and key executives. Those individuals authorized to access video surveillance will have their IDs and passwords captured each time they access video surveillance. When employees authorized to access video surveillance leave the company, their access credentials will be removed within twelve hours.

Cameras will be set up to record all areas of the facility, and acquire multiple views of the same areas. Specifically, we will record all of the following:

- All entrances and exits to the facility (recorded from points both within and without the facility)
- All rooms with exterior walls
- All limited access areas
- All rooms used for storage, (including any rooms that contain a safe)
- The date and time, which will be synchronized correctly and not obscure the captured images

The cameras used will:

- Be able to operate under the lighting circumstances typically found in the recorded area, (cameras installed outdoors shall be day/night cameras with a minimum resolution of D1
- Be able to record a clear, color, still photograph in a digital format
- Have auxiliary power to maintain operation for 48 hours following a power outage.

The security alarm system with motion sensors will contain a NVR (network video recorder), capable of storing images for a minimum of forty-five days. The system will be fully integrated into a single platform which will manage both the access control and the surveillance equipment. All cameras will be monitored locally by the Security Contractor and recorded on a constant, continuous schedule. The images will be stored on site, in a limited access room. This room will have an alarm system that is separate from the site’s primary security system.

Video recordings will be archived in a format that ensures authentication of the recording. Exported video shall also have the ability to be saved in an industry standard format playable on a standard computer system. The Security Contractor will have a list of people, and their contact information with whom the stored recordings can be shared.

In the event of a security incident, the Chief Operations Officer will create a copy of any video surveillance recording requested and place it on a jump drive so that police or governmental agencies can easily access it upon request. If the Department makes a request for any records, that will be
supplied to them within two days. Our management company is accustomed to meeting the needs of law enforcement and inspectors in this regard, and we will use that experience in the state of Ohio.

**Security Alarm System**

A security alarm system (Bosch, Honeywell, DSC, 2 Gig or equivalent) will provide protection against burglary, fire, and emergencies. Intrusion detectors will always be active and an alarm will sound in the event that a breach is detected. The system will require a security code to perform various functions. Agents will be assigned unique codes with different authority levels. Agents will memorize a duress code; in the event that an intruder instructs an agent to disarm the system, the code will set off a silent alarm and notify local law enforcement. This should meet the requirements for a silent alarm as set out by Ohio Admin. Code 3796:2-2-05(B)(6).

The system includes a GSMx4G cellular antenna which provides a backup mechanism for communicating an alarm using 4G technology if an intruder cuts the phone line. Motion detection sensors will be installed strategically throughout the facility and around its perimeter. Sensors will be placed at all exterior doors and windows. The system-sensing devices will be assigned to various zones, or specific areas of protection. When a system alarm is triggered, the keypad sounds and displays the zone or zones causing the alarm. For most alarms, the external enunciator will also sound. All external and internal restricted area doors will be equipped with sirens and strobes. The system will notify local law enforcement. The system will monitor all entry points.

The security systems we intend to use at our cultivation facility will specifically cover all entry points and portals. Open/close sensors will be placed on every door whether it is an entry to the building or an entry into an internal secure room. Loading docks will have locks and sensors on their doors. The facility we intend to use is ideal because it has no windows, which would be additional points we would have to secure.

Our management company has cultivation facilities that currently contract with a fully insured and state licensed third party security company, ETG Systems, which provides custom designed burglar alarm/camera capabilities. The system can be accessed and monitored remotely using smartphones and tablets, and is fully compliant with state regulations related to the security of marijuana cultivation facilities. We intend to identify and use a similar service in the state of Ohio.

In addition to burglar alarms, we will utilize sensors throughout the building and ductwork to ensure immediate detection of smoke and fire.

All security and surveillance systems will be required to detect power loss. If a power loss occurs after-hours, the Security Contractor will immediately notify the Chief Operations Officer. At that time, back-up power sources, including battery systems capable of providing power for a minimum of 48 hours, will be incorporated.

Our security system will incorporate several panic devices throughout the facility. The most logical locations will be by the main entrance, by the back entrance, in the cure room, and in the packaging room where finished product is kept prior to delivery to a dispensary. However, we will obtain a comprehensive security audit from our contractor who will advise us of the recommended placement of
panic devices. Employees will be trained on the emergency situations which might warrant using such devices. The devices will be placed to give employees time to safely activate a panic alarm in the event of an emergency. The panic buttons are tied into the alarm system with a direct notification to the monitoring company and law enforcement. The panic alarms will be programmed to send a silent duress signal different than a standard alarm signal to identify that the facility and/or staff are under duress and there is an immediate threat. In addition to the hard wired panic buttons the applicant will provide wireless panic devices that can be administered to staff that can be activated should they not be able to reach a static panic device.

All records stored on-site will be secured in a keypad controlled room, accessible only by C-level individuals. This room will be equipped with a second, independent security system. We use an inventory tracking system for production data and records. This system and its records are created and stored on a separate server which is backed up hourly at an off-site location. This system may be accessed remotely, and in the event of a power outage at the Cultivation Facility we will still be able to secure and access our records. In the event that a computer is stolen, criminals will be prevented from accessing the system without a registered ID and password.

Finally, we will ensure that a separate security system monitors and protects the packaging room at our Grow Facility. Given our anticipated business processes, including the quantity of flower intended to be processed and distributed weekly, a normal sized safe or cabinet would be inadequate. As such, we will create a “safe room,” accessible only by authorized personnel, where all finished marijuana is stored prior to sale. Those personnel include the Chief Operations Officer, the Chief Executive Officer and the Chief Compliance Officer.

In the event that the security system has to be taken offline for repairs or maintenance, the Director of Security will notify the local police department as well as the Ohio Medical Marijuana Control Program, at least 72 hours in advance.

**TRAINING**

We have extensive Standard Operating Procedures, including about a dozen that fall under the subject of security. Employees are trained on these SOPs, and they will be expected to pass tests before being allowed to work in our facility. During our ramp-up phase, we intend to train new employees in a classroom type setting. In addition, we employ a mentorship program to ensure experienced personnel will be monitoring less experienced employees, and we will have checklists to ensure consistent and accurate compliance.

Security has its own section within the training manual. This section covers processes such as maintaining the security system, using codes to access and exit the facility, and when to raise distress (or “panic”), alarms. Our management company has a robust security system at their cultivation facility, and we intend to directly follow that model. Each access code will be used by only one individual so that we can track who is accessing the security system. Individuals will not be allowed to use a colleague’s access code.

If a security alarm is tripped, the Security Contractor will notify the Chief Operations Officer. He will then conduct a quick investigation to determine if employees should be at the premises and whether they
might have accidentally tripped the alarm. If it is a false alarm, he will notify the Security Contractor and have the alarm turned off. If this is not the case, the security manager will immediately call the police.

As part of our comprehensive training regimen, employees will be trained to be observant of activity in our parking lot and entrances. If activity outside the building arouses suspicion, any employee is encouraged to notify the Chief Operations Officer who will then investigate and call the police, if it is warranted.

If an armed robbery occurs during business hours, employees are trained to comply with the perpetrator’s demands. We believe our employees’ safety and well-being are paramount and recommend a zero resistance policy. Our employees are taught to stay calm, do whatever is asked, and focus on being a good witness rather than a hero. Once the incident is over, the facility manager will notify the police and all employees will be expected to cooperate fully with the investigation. Our Director of Security will obtain the police report and in conjunction with our compliance department, will submit a report detailing the event to the Ohio Medical Marijuana Control Program within 72 hours of the event. These reports will be retained as part of our record keeping process.

If an employee causes a security breach, it is grounds for disciplinary action and it may be grounds for immediate termination depending on the severity and circumstances of the breach.

Specific Safety Procedures
We have extensive Standard Operating Procedures and an employee training manual that is approximately 200 pages and 25,000 words. Part of this extensive training focuses on safety procedures, including responding to threatening events including armed robbery, invasions, burglaries, and other possible criminal incidents.

When to Contact Law Enforcement
An employee should never hesitate to contact law enforcement when the alarm or surveillance systems go down. Law enforcement should also be contacted if there is an unauthorized entry, or any other situation where an employee legitimately fears loss of life or property.

Medical Emergency
Various types of medical emergencies employees may encounter are addressed in our employee training sessions. Understanding that on the ground employees are the eyes, ears, and hands most likely to initially address an emergency situation, we have created specific emergency protocols. We will train employees to gauge any emergency situation, and if safe, to provide immediate support and assistance. That said, we specifically direct employees to refrain from any action that may imperil them or exacerbate the emergency situation.

In the case of a medical emergency, the employee will be stabilized and the Facility Manager notified immediately. In the case of hospitalization, an ambulance will be called to provide support and the facility manager will submit a claim to our Worker’s Compensation service provider. In cases where an ambulance is not required, the facility manager will submit a claim to our Worker’s Compensation service provider and the employee will be directed to a provider clinic for support. Employees will be
expected to attend follow up consultations and provide documentation to their facility manager. Employees will not be allowed to return to work unless the Worker’s Compensation service provider provides approval. We anticipate adding a defibrillator to our facility in the event of a heart attack or other medical emergency requiring its use.

**Fire**
Every employee will be required to take an active role in the prevention of fires. Employees must observe all OSHA safety requirements and regulations regarding fire safety. Access to fire doors, fire exits, and fire extinguishers must remain unobstructed. All employees must comply completely during periodic fire inspections by the local municipality. Should a fire occur at the cultivation facility, the Chief Operations Officer is trained on proper response and remediation techniques, always taking into account employee safety first. Once safe to do so, the Chief Compliance Officer will create a safety report detailing the cause and any damages incurred and will submit the report to the Security Contractor. These reports will be retained at our corporate headquarters and made available for inspection if required. The Security Contractor will then be responsible for ensuring that the cause of the fire is addressed and rectified at the facility. Additionally, we will comply with all local fire codes, OSHA standards, and any other regulation affecting a commercial activity.

**Chemical Spill**
Every employee will also be required to take an active role in the prevention of chemical spills. Employees must observe all OSHA safety requirements and regulations. Chemicals used during the cultivation lifecycle will be well labeled and segregated in a safe storage area. Select employees will be trained on the use and handling of these chemicals in compliance with federal and state agricultural guidelines. As our management company has done, we will have Department of Agriculture-sponsored training sessions for all employees in the Cultivation Facility detailing proper chemical handling and use, appropriate personal protective equipment and application best practices. In addition, safety precautions will be taken to ensure the safety of employees using chemicals or any kind. Spill kits with instructions, absorbents, reactants, and protective equipment will be made available to clean up minor spills of commonly used chemicals. Employees will be expected to alert people in the immediate area of the spill. If spilled material is flammable, they must turn off ignition and heat sources. Employees will be required to wear personal protective equipment, (also known as PPE), including safety goggles, gloves and surgical masks to avoid breathing vapors from the spill, all of which will be easily accessible from various stations within the facility. Employees should confine spills to as small of an area as possible. Employees should not wash spills down the drain. We will have a barrel for rinsate, (which is the runoff created when fertilizer or chemical containers are cleaned). Any spilled chemicals should be collected with a wet/dry vacuum, or shop-vac, and then dumped into the rinsate barrel.

Should a chemical spill occur at our Cultivation Facility, the Chief Compliance Officer will create a safety report detailing the cause and any damages incurred. These reports will be retained at our corporate headquarters and made available for inspection if required. The Chief Operations Officer is then responsible for ensuring that the cause is addressed and rectified at the facility.

**Part II: Security and Transportation Policies and Procedures**
Our facility is not open to the general public, in compliance with Ohio Admin. Code 3796:2-2-05(A)(7). In order to prevent unauthorized entry, we plan to construct a “man trap” which enables visitors to enter a small ante-room, but prevents them from further accessing non-authorized areas by means of a
Security Plan

Commercial grade steel door which is kept locked. Visitors remain in the “man trap,” until their credentials can be verified by an employee.

A sign will be conspicuously posted on every entrance that reads:

THESE PREMISES ARE UNDER CONSTANT VIDEO SURVEILLANCE. NO ONE UNDER THE AGE OF 18 IS PERMITTED TO ENTER.

The building will not have any signage that indicates that medical cannabis products are being grown and created inside. We intend to operate as quietly and with as little publicity as possible. This prevents unwanted attention which also preserves security.

Landscaping around the facility will be minimal, and will only utilize small shrubs and bushes. Large items such as hedges or trees can inadvertently create a place for someone to hide. Similarly, no equipment or trash will be left close enough to the facility that an individual could use it to hide from surveillance. All trash receptacles must be kept at least twenty-five yards from the facility, and will be secured inside a fence, in compliance with Ohio Admin. Code 3796:2-2-05(A)(2).

Employee Monitoring

While we look forward to hiring honest, trustworthy individuals, we would be naïve to ignore the risk of diversion presented by unscrupulous workers. Employee theft occurs within almost all industries and while we hope to be the exception unfortunately, that is unlikely. We have a number of policies and procedures to monitor our employees in order to discourage theft and diversion.

Keys to the facility will be kept by the Chief Executive Officer, and the Chief Operations Officer. No one, other than those two people will ever be entrusted with a key and none of these people will ever be permitted to make a copy of their key. In the event that someone loses his or her key, the Director of Security will be notified immediately and will then contact a lock smith to change the locks and issue new keys.

All employees must have a valid identification card issued by the state of Ohio in order to work in our cultivation facility, and must be over the age of eighteen. This requirement complies with Ohio Admin. Code 3796:5-2-01(A). Employees will be given electronic badges, or key cards, that will grant them access to the facility. In order to enter the facility from outside, an employee will need to swipe his or her badge, which will unlock the facility door and allow the employee to enter. This adds a layer of security while also creating an electronic record of when employees entered the facility. If we ever suspect diversion, we can check this record to see if an employee was arriving when they weren’t scheduled for a shift. If an employee quits or is terminated, he or she must immediately return their key card to the Chief Operations Officer. If an employee walks off the job with his or her key card, the Chief Operations Officer will be responsible for immediately denying access to that key card. Employees will be instructed that it is never permissible to swap or share key cards, and that doing so may be grounds for termination. Furthermore, in the interests of security, it is not allowed for employees to hold open the main entrance for one another. When arriving for a shift, or returning from a break, employees must each swipe their key card in order to enter the facility. This preserves the electronic record of employee comings and goings.
There are only two instances when product may be removed from the facility, and both of these instances require the knowledge and consent of upper level staff, and the use of the electronic inventory control system for tracking. Transport to a licensed laboratory, processor, or dispensary within state of Ohio or the removal of Green Waste are the only times when medical marijuana or medical marijuana products may be removed from the cultivation facility.

An employee who is found to have taken product out of the cultivation facility for any reason without permission or the prior knowledge of management will be dismissed immediately and referred to local law enforcement. Our cultivation agents are also instructed that failure to report conduct that could lead to diversion or theft of product will also lead to termination. This system of checks and balances enhances our already stringent technological security measures.

We have extensive Standard Operating Procedures, which cover both of the previously mentioned scenarios and the processes surrounding each. We will train our employees on these mandatory procedures and they will be expected to pass tests before being allowed to work in our facility. We also have a mentorship program to ensure experienced personnel will be monitoring less experienced employees, and we will have checklists to ensure consistent and accurate compliance. We will also have signage throughout the cultivation facility reminding our employees of the company’s zero tolerance policy for theft and diversion.

Photography, or video recording within any part of our facility is strictly prohibited by both employees and guests. This rule is in place to protect our processes as well as the integrity of our security systems. Any employee or visitor who is caught taking photos or videos will be asked to delete them immediately. Employees or visitors who repeatedly ignore this rule will be asked not to return. Lastly, there are video cameras placed throughout the facility, so all actions are being constantly recorded. We will place several signs throughout the facility that read:

**THESE PREMISES ARE UNDER CONSTANT VIDEO SURVEILLANCE**

**Visitors**
For the purposes of this section, a visitor is anyone who is permitted to be on the premises, but is not an employee. Visitors include guests, members of the Ohio Medical Marijuana Control Program, other regulators, law enforcement officials, and short-term contract workers, (for example someone who comes to repair a plumbing leak or install internet access.)

Unlike a dispensary, there are no areas of a cultivation facility that are “public.” All areas are limited, or restricted access only. Apart from law enforcement, officials from the Medical Marijuana Control Program, or other regulators, unannounced or unexpected visitors will not be admitted. All unofficial visitors must make arrangements ahead of time. All visitors will be required to log into the cultivation facility by entering their personal information into our standard visitors log.

The Visitor’s Log will need to be filled out by each visitor and will include the following information:

- Name,
- Company Name,
**Security Plan**

- The Purpose of the Visit,
- The Badge Number Assigned,
- The Date,
- The Time in and Time out,
- The Areas of the Facility that were Visited,
- The Name of Each employee that was Visited

Visitors will be required to sign in and out on a paper form. The Chief Compliance Officer is in charge of making sure that the visitors log is stored as a part of our Record Keeping system. We will maintain visitor logs and copies of government issued IDs in the Grow Facility's secure records room for a period of five years, which complies with the requirements set in Ohio Admin. Code 3796:2-2-08(A).

We will also make a photocopy of each visitor's government issued ID and retain it with the log. Visitors without valid government ID will not be admitted to our facility. This enables us to ensure that all visitors are at least 18 years of age.

All visitors will wear clearly visible visitor badges during their time in the facility. The visitor badge is attached to a lanyard that can be worn around the neck. The badge itself has the visitor’s name and company name on it, the word “VISITOR” and the badge. For example, construction workers who need to enter the premises to complete work will receive an ID from us which needs to be worn at all times. No visitor who is given access to the facility will be left unsupervised while on the premises. An employee of the facility will be required to monitor and supervise them during their entire time in the facility. Our employees will be trained to not only observe the actions of visitors to prevent product diversion, but will also monitor them carefully so that visitors do not touch and contaminate any medical marijuana product. Our management company currently employs all of these requirements and has never been the victim of any large-scale theft.

When a visitor arrives, he or she will first enter a “man trap.” This small area enables registered facility agents to verify the visitor’s credentials and enquire about the reason for the visit. Upon confirming the validity of the visitor’s credentials, they will be escorted by a registered agent through a locked door and into the growing and processing areas. Ohio law does not specify how many visitors may be allowed within the facility at one time, but we will only permit three visitors per guiding employee so that we can maintain constant supervision and visual contact without being distracted.

**Authority Figures**
Inspectors from local law enforcement, the Medical Marijuana Control Program, and other governmental agencies will always be granted access to our facility. We politely request that they submit to the same procedures as other guests, (i.e. signing in and out on the visitors log, and wearing a visitors badge while on site), so that we may keep adequate and proper records.

**Receiving Deliveries**
Our facility has a separate delivery entrance that is set apart from the normal employee or visitor entrance. This helps us improve security and prevent diversion, because most employees will never have a reason to be loitering by the delivery entrance. This entrance will be clearly marked so that all delivery trucks drive straight to that entrance. Deliveries should be received only between normal business hours.
and all deliveries should be previously scheduled. If a vendor attempts to make a delivery for unknown or unexpected items, the items will be refused and he or she will be politely turned away. A log of all deliveries will be kept by the Facility Manager.

**Conducting an Investigation**

If discrepancies are discovered, they will be reported immediately for investigation. All employees will be educated about the importance of diversion and that if they fear or suspect diversion they must report it to their supervisor immediately. Our Standard Operating Procedures requires resolution within a 24 hour period to ensure that diversion is not the cause of the discrepancy.

Investigating a discrepancy requires performing a physical inventory audit and identifying the specific plants or products causing the discrepancy. We will research the history of those specific items in our inventory tracking system and then determine which of our employees have worked with those items, and which employees updated the inventory in the electronic tracking system. We will also review video surveillance to determine if diversion occurred.

Discrepancies discovered during inventory audits are immediately reported to management. If, in the course of investigating these discrepancies, management determines that theft or diversion occurred, we will report the event and all details to our knowledge to both the Medical Marijuana Control Program and the Ohio State Police for investigation within one day of our determination. This complies with Ohio Admin. Code 3796:5-4-01(A).

Discrepancies discovered during inventory audits are immediately reported to cultivation management for investigation. The investigation is expected to identify the originating problem and resolve it within a 24 hour period.

If the originating problem requires us to update our SOPs, our compliance department will do so within two weeks. They will provide updated SOPs to cultivation management who will retrain employees on any changes within one week of notification.

If the results of our investigation indicate diversion, we will immediately notify the Department per Ohio Admin. Code. 3796:5-4-01(A).

**Transportation**

Moving medical marijuana products involves an inherent amount of risk. Unfortunately, transporting medical marijuana products from one point to another involves an undeniable risk to public safety. The product is a prime target for criminals who could sell it on the black market, either within Ohio or another jurisdiction. From the company’s perspective we stand to lose product, or money, or both. We take the risks associated with transportation very seriously and have collaborated with our management company to create a transportation plan that is safe, secure, and compliant.

Medical marijuana products will need to be transported from our cultivation facility to licensed processors and dispensaries within Ohio. Two people will accompany the package and the inventory control system will be updated whenever this occurs.
General Transportation Protocols
In order to work as a transporter of medical marijuana, all employees must carry identification approved by the state of Ohio. Transporters will work in groups of two, and will accompany shipments of products containing medical cannabis and not leave it alone at any point during the transportation from the processing center to dispensaries within the state.

Transporters will utilize opaque, locking containers to transport the shipment so that the content of the shipment is not visible or obvious. The transporting vehicle will not bear any signs or markings referencing medical marijuana or otherwise indicating its contents. Containers will be made tamper resistant either by using zip ties or locks. The employee who generates the manifest and hands over the chain of custody will be required to confirm visually that all appropriate precautions have been taken before permitting the transporter to exit the cultivation facility premises.

Our Transportation SOP stipulates that having a current and valid driver’s license, current registration and up to date vehicle insurance and registration are requirements for picking up any shipment from our processing facility. The Director of Security will hand over the chain of custody and will also be required to confirm visually that the driver’s license is current and valid.

Our Transportation SOP further demands that the delivery team picking up any shipment from our cultivation facility must not wear clothing or symbols with cannabis logos or our company’s logo. Our employee who is generating the manifest and handing over the chain of custody will be required to confirm visually that the driver is wearing appropriate clothing.

Deliveries will only occur after 7:00 AM and before 9:00 PM, local time. Even if we contract with a dispensary that wants to receive regular shipments, we will sufficiently vary the dates and times of the deliveries so that they cannot be predicted in advance. For our part, we will ensure that deliveries do not leave our facility after 6:00 PM, so as to make sure that all deliveries arrive before 9:00 PM. We are, of course, willing to work with all dispensaries, processors, and laboratories to make sure that deliveries arrive at a time that is safe and convenient for them.

A Transport Log is Created
When products are ready for delivery, an employee will create a transport manifest. The log will include all of the following information, in compliance with Ohio Admin. Code 3796:5-3-01(A).

- The name and address of the medical marijuana entities sending and receiving the shipment
- The names and registration numbers of the registered employees transporting the medical marijuana, or the products containing medical marijuana
- The license plate number and the vehicle type that will transport the shipment
- The time of departure and the estimated time of arrival
- The specific delivery route, which includes street names and distances; and
- The total weight of the shipment and a description of each individual package that is part of the shipment, and the total number of individual packages

For our own comfort, we have decided to include the following items on the transport log as well. These items are not required by the state of Ohio, but we feel they contribute useful facts for our own records.

- The shipment identification number
- The name of the employee who prepared the shipment for transport
• The date and time of preparation of the package(s)
• The names of each member of the transport team taking custody of the shipment
• The driver’s license numbers for each member of the transport team
• The Medical Marijuana Badge numbers for each member of the transport team
• The make and model of the driver’s GPS equipped delivery vehicle

Separate copies of the transport log will be provided to each recipient receiving the medical marijuana described in the transport log. If separate packages are being delivered to different entities, separate manifests will be created in order to preserve confidentiality.

A Package is Created
After the transport log has been made, an employee will create a package based on the items contained within the log. Shipments will only ever be prepared for transport in a Limited Access Area or in a Secure Room. Since items are not ready to depart the facility, they do not yet need to be placed in a shipping container. As long as they remain in a secure room, they can be temporarily grouped together in a box, with a copy of the transport log placed inside. If there is a situation in which a package is started on one business day, and completed on a different business day, the items will be stored securely in a locking safe whenever they are unattended.

After the employee has set aside the items ready for transport, the Cultivation Director, or the Chief Operations Officer will verify that the products match the transport log exactly. At that point, all products will be placed into a shipping container, and the log will be placed into a clear page protector and then adhered to an inside surface of the shipping container. The container is then locked, stored in a secure room, and the key is kept by the Chief Operations Officer. Once the package is ready to leave the facility, the Chief Operations Officer will pull two employees and inform them of their new task.

We believe that a plain, non-descript locking trunk or foot-locker would suffice as a shipping container. However, if the state of Ohio would prefer that we use something else, we would be happy to comply.

Transportation Team Accepts Custody
Our transportation employees will have valid driver’s licenses and valid medical marijuana employee identification cards. If they are using their own vehicles, the vehicle must have current registration, and be properly tagged. The transport team must never wear any clothing or jewelry that contains words, graphics, or logos that reference medical marijuana. There must never be any stickers on the vehicle that reference medical marijuana, or our own company. This is done to comply with Ohio Admin. Code 3796:5-3-01(C)(6) and to promote safety; we do not want to attract any unwanted attention from individuals who might be tempted to steal the cargo. Both team members must be in good standing within the company, and must not be working under any sort of Performance Improvement Plan, (PIP), as a condition of continued employment. The risks associated with transportation are too great to entrust to any employees who have struggled with other tasks.

Each delivery team will:

• Leave one member of the team with the vehicle at all times in which it contains medical marijuana
Each team member will have a valid driver’s license
Each team member will have access to a cellular telephone
Each team member will have a valid identification badge at all times, and will produce it for inspection by the Department, their agents, law enforcement officers, or other government officials.

In order to comply with Ohio Admin. Code 3796:5-3-01(C) the vehicle will:
- Be equipped with a secure lockbox or locking cargo area
- Have no markings that identify or indicate that the vehicle is being used to transport medical marijuana
- Be capable of being temperature controlled for perishable medical marijuana items
- Display current State inspection and registration stickers
- Be insured in an amount that is commercially reasonable and appropriate

Before accepting the shipment, both employees will have ample time to inspect the transport manifest, verify the contents, look over the stated route and ask any questions they may have of either the employee who prepared the package, or the Chief Operations Officer. Additionally, the Chief Operations Officer will have ample time to look over the transportation vehicle, any equipment they’re using, (such as cell phones, and the GPS), their identification badges, and ask any questions he may have of them.

At the time of departure, the contractors will place the locked shipping container, the transport log, and the key to the shipping container in the vehicle. Once medical marijuana products are placed in the vehicle, at least one member of the delivery team must remain in the vehicle at all times. From this point until the shipment is left in the custody of the receiving entity, it is imperative that the vehicle not be left unattended.

**Transportation**
At this point, the delivery team should be clear on the route since it is printed on the transport log, and they have had an opportunity to ask questions. They will adhere to the route exactly as it is printed. Sufficient fuel should have been put into the vehicle before departure. The delivery team is never authorized to make stops, to make the general public aware of their whereabouts (via social media, for example), and must always avoid driving through federal land, (such as a national forest). These policies comply with Ohio Admin. Code 3796:5-3-01(D).

If they suffer a vehicle malfunction, or are involved in an accident and must be delayed, their first phone call should be to the Chief Operations Officer, who should send immediate assistance. Having medical marijuana products within a disabled vehicle is a serious threat to public safety as well as the safety of the delivery team.

The Chief Operations Officer must immediately dispatch a new delivery team to the location of the disabled vehicle. The new team will take custody of the shipment and continue with the delivery. The original delivery team will then be able to stay with the vehicle in order to handle that situation.
Security Plan

After the second team has secured the medical marijuana shipment, their next phone call should be to the receiving entity, to inform them that the shipment will arrive later than expected. They should also call our facility to inform us of the delay. Lastly the Ohio Medical Marijuana Control Program must be notified if the cause of the delay is an accident. According to Ohio Admin. Code 3796:5-3-01(E)(3), the government authority must be notified within two hours of the accident.

If the delay makes it inevitable or likely that the shipment would arrive after 9:00 PM, then the medical marijuana shipment must be immediately transferred back to our facility. Under no circumstances should the shipment be left unattended in any vehicle.

If an accident occurs the transport vehicle could be sufficiently damaged to the point that marijuana products are scattered on the roadway. This presents an unacceptable risk of diversion. The delivery team members (if either of them are capable), will be tasked with collecting all products that can be collected. If the product cannot be collected because it is too damaged, the delivery team will liberally douse the remaining products with vinegar. Vinegar is harmless, but foul-smelling and should prevent the unauthorized use or sale of any products that cannot be reclaimed. If marijuana product is salvaged by a diligent criminal, and if that criminal chooses to use the product it is equally unlikely that the criminal would be harmed or that they would enjoy their experience. A gallon of vinegar will be kept in every shipping container should the need arise.

The Ohio Medical Marijuana Control Program is authorized to stop and inspect medical marijuana vehicles at any time along their route. We will make sure that every delivery team is aware of this fact, and that they conduct themselves in a courteous and professional manner during such a stop. We will inform every delivery team that if they are stopped by law enforcement, they should immediately produce their badge, (which should already be displayed, in compliance with Ohio Admin. Code 3796:5-3-01(E)(1), and politely explain that they are transporting medical marijuana, as permitted by law. They should offer to allow the officer to inspect a copy of the transportation logs if he or she so desires.

Every deliver team will be instructed to obey all traffic laws and to transport the shipment using all necessary care and prudence. We do not anticipate that a delivery team member would ever be placed under arrest. However, in the unlikely event that a member of the delivery team is placed under arrest, the remaining member of the team should immediately phone the Chief Operations Officer and remain with the vehicle until a second member arrives. While waiting, he or she should also phone the anticipated destination to let them know about the delay.

Our company takes the threat of diversion very seriously. Not only is diversion is a serious public safety issue, it is also a serious financial loss for the company. In order to assuage the fears of the state of Ohio, we have chosen to hide Radio Frequency Identification (RFID) tags on the inside of every shipping container. There are numerous companies that make inexpensive RFID tags; many of them average about $25 per unit. In the unlikely (and highly unfortunate) event of an armed robbery, an RFID tag would allow the company to collaborate with local law enforcement to locate the shipping container and apprehend the suspects responsible.
Such a precaution is not required by the state, but we feel that the minimal cost is well worth the peace of mind that it will bring to our company, and to Ohioans.

**Dispensary Accepts Shipment**
When the shipment arrives at the dispensary, the transport team should first phone them to let them know they have arrived and that they would like someone to meet them at the back door. The shipment should never enter the facility through the same door used by patients and caregivers.

The receiving entity’s agent will be given an opportunity to review the shipment alongside the transport log. If the agent finds that everything is as ordered, he or she will sign the log and return it to the delivery team. If the dispensary accepts the shipment, they are required to tender payment at that time to the delivery team who will return that to our facility. If the dispensary pays in cash, (which is common for this industry), the delivery team will count it to verify that the amount is correct before departing.

There is always the opportunity for the receiving entity to inspect and reject the product upon receipt. If rejection occurs, the product is returned to the cultivation facility and the transport manifest is cancelled. Since the product was never “accepted” by the purchasing party, the inventory remains in the cultivation’s electronic inventory system. The rejected product can then be replaced by the cultivator, under a new transport log, or the transaction cancelled completely. We have a 24 hour inspection period in our wholesale contracts.

**Delivery Team Returns with Payment**
Using the same vehicle, and following all of the rules and restrictions described earlier in this section, the delivery team will return with an empty shipping container, (which can and will be reused for future shipments, a copy of the transport log that has been signed by all relevant parties, as well as the correct and full payment. The signed transport manifest will be kept on file at the cultivation facility, as part of our recordkeeping protocol.

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**Part III: Facility Plot Plan and Specifications**
Above, is a to-scale rendering of our intended facility. The building currently exists, but the interior rooms require construction. Our facility is not open to the general public, as such the entire facility is a restricted access area. After operations have commenced, we would be happy to give tours, but those must be scheduled at least one day in advance. Unannounced visitors (with the exception of law enforcement, or members of the Ohio Medical Marijuana Control Program), will be informed about our policy, and given a phone number so that they can schedule a tour.
Part IV: Emergency Notification Procedures

Diversion

Diversion is a serious crime and is worth avoiding at all costs. Even though diversion is not exactly an emergency, the risk to the public’s safety merits notifying the Department. In the event that an investigation leads to the discovery of diversion, we will promptly notify the Department via the methods below.

The investigation of a discrepancy involves performing a physical inventory and identifying the specific plant or plants causing the discrepancy. We will research the history of those specific plants in our inventory tracking system. We can then determine which of our employees worked with the plants and which employees updated the inventory in the electronic system. If these actions are not fruitful, we can also review video surveillance to determine if diversion occurred. If the results of our investigation indicate diversion, we will immediately notify the Department with the procedures outlined below.

Discrepancies discovered during inventory audits are immediately reported to cultivation management. If in the course of investigating these discrepancies, management determines that theft or diversion occurred, we will report the event and all details to the Department no less than twenty-four hours after discovery, in compliance with Ohio Admin. Code 3796:5-4-01(A). This notification will be in writing, signed by the Chief Executive Officer and will detail the estimated time, location, and circumstances or the event, including an accurate inventory of the quantity and type of medical marijuana unaccounted for due to diversion or theft.

Our procedures require that any discrepancies discovered during an inventory audit are immediately reported to cultivation management for investigation. The investigation is expected to identify the originating problem and resolve it within a 24 hour period.

In order to best prevent diversion, we will incorporate numerous opportunities to perform inventory audits throughout each plant’s lifecycle. If discrepancies in quantities or weights are discovered, they will be reported immediately for investigation. Industry best practices as well as our own Standard Operating Procedures require resolution within a twenty-four hour period to ensure that diversion is not occurring.

If the originating problem requires us to update our SOPs, our Chief Compliance Officer will do so within thirty days. She will provide updated SOPs to cultivation management who will train employees on any changes within one week of notification.

Within ten days of the first written report, we will review and secure video surveillance footage during the time of the suspected theft or diversion, (in compliance with Ohio Admin. Code 3796:5-4-01(B)(1). If diversion or theft is discovered and a second written report is required under the law, we will do so with a report that contains the following information, (in compliance with Ohio Admin. Code 3796:5-4-01(B)(2):

- The names and identification numbers of every employee at the facility at the time of the theft or diversion
- The internal measures taken to locate the cause of the loss, theft, or diversion; and
• The total quantity and type of medical marijuana stolen or otherwise diverted following a subsequent audit of the facility’s actual inventory compared to the inventory reported by the inventory tracking system

We will submit to the department a revised plan to secure the facility’s inventory and measures that will be taken to prevent future loss, theft, or diversion. We will also identify all the records at the facility and potential evidence outside the facility, including video surveillance footage that will be sealed and prevented from being destroyed until a full investigation is conducted by the department and law enforcement, if deemed necessary. These protocols comply with Ohio Admin. Code 3796:5-4-01(B)(3) and Ohio Admin. Code 3796:5-4-01(B)(4).

If any of the following events occur, we will notify the department within twenty-four hours and follow up with a detailed written report within ten days, (in compliance with Ohio Admin. Code 3796:5-4-01(C), and Ohio Admin. Code 3796:5-4-01(D):

• An alarm activation, or any other event that requires a response by public safety personnel,
• Any security breach,
• The failure of the security alarm system due to a loss of electrical support or mechanical malfunction,
• A fire,
• Any incident involving hazardous materials,
• Any incident that requires an emergency response to the premises.

Our Chief Compliance Officer will maintain all records relating to these incidents. All records and documents will be made available to members of the Department, in compliance with Ohio Admin. Code 3796:5-4-01(E).
In addition to having an exceptional team capable of overcoming any challenges presented, we are also extremely well-capitalized. The following two charts clearly explain our financial situation. We have already secured a single investor to cover our start-up costs. If we are granted a license, we will be able to immediately commence the build-out on our facility. We suspect that other teams may have to search for willing and qualified investors. Since we can skip that step, we will be able to begin cultivating before other groups, which is better for Ohio patients.

The first chart is our funding analyses which shows our sources and uses. It also contains operating costs, such as rent, equipment, and the necessary buildout. We have taken care to properly estimate every requirement so that there are no surprises later on. Again, we have secured an investor to cover this sum; we can receive the funds as soon as we receive a license.

The second chart shows our yearly projections, as well as our anticipated yearly costs.
# Financial Plan

## Sources and Uses

<table>
<thead>
<tr>
<th>Sources</th>
<th>$ 630,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Capital Contribution</td>
<td>$ 630,000.00</td>
</tr>
<tr>
<td>Debt--LOC Investor A. 12.5% Interest Only w/3 YR Balloon</td>
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</table>

<table>
<thead>
<tr>
<th>Uses</th>
<th>$ 625,549.10</th>
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<tbody>
<tr>
<td>Licensing</td>
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<tr>
<td>Sales Tax</td>
<td>300.00</td>
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<tr>
<td>Business License</td>
<td>500.00</td>
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<tr>
<td>Alarm Permit</td>
<td>200.00</td>
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<tr>
<td>Security deposit on leased property</td>
<td>5,000.00</td>
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<tr>
<td>Build out and Development Cost</td>
<td>286,899.00</td>
</tr>
<tr>
<td>Soft Cost</td>
<td>20,750.00</td>
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<tr>
<td>Architecture</td>
<td>5,000.00</td>
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<tr>
<td>MEP</td>
<td>7,500.00</td>
</tr>
<tr>
<td>Building permits</td>
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<tr>
<td>Inspections</td>
<td>750.00</td>
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<tr>
<td>Tenant Improvements</td>
<td>264,899.00</td>
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<td>Electrical</td>
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<td>HVAC</td>
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<td>Plumbing</td>
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<tr>
<td>General Construction</td>
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<td>Lighting</td>
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<td>Design and Finish</td>
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<tr>
<td>Exterior</td>
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<tr>
<td>Interior</td>
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</tr>
<tr>
<td>Furniture, Fixtures and Equipment</td>
<td>12,750.00</td>
</tr>
<tr>
<td>Security</td>
<td>9,000.00</td>
</tr>
<tr>
<td>DVR and Cameras</td>
<td>5,000.00</td>
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<tr>
<td>Burglar Alarm Panel and Equipment</td>
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</tr>
<tr>
<td>Security Bars and Locks and safes</td>
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</tr>
<tr>
<td>Computers</td>
<td>2,000.00</td>
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<tr>
<td>Scales</td>
<td>1,750.00</td>
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<tr>
<td>Grow Equipment</td>
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<tr>
<td>Nutrients, Pots, Grow Medium</td>
<td>15,000.00</td>
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<tr>
<td>Property Related Expenses</td>
<td>24,500.00</td>
</tr>
<tr>
<td>Utilities</td>
<td>October 2017 through May 2018</td>
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<tr>
<td>Rent</td>
<td>October 2017 through May 2018</td>
</tr>
<tr>
<td>Labor Cost</td>
<td>February 2018 through May 2018</td>
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<tr>
<td>Operations Losses after open (3 months)</td>
<td>209,388.00</td>
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<tr>
<td>Total Projected Start-up Costs</td>
<td>$ 568,681.00</td>
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<tr>
<td>Contingency Reserve--10%</td>
<td>56,868.10</td>
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<tr>
<td>Total Capital Requirements</td>
<td>$ 625,549.10</td>
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# Financial Plan

## Production Operations

<table>
<thead>
<tr>
<th></th>
<th>Year 1 (1st 12 Months)</th>
<th>Year 2 (2nd 12 Months)</th>
<th>Year 3 (3rd 12 Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Square Feet Canopy</strong></td>
<td>1,700</td>
<td>1,700</td>
<td>1,700</td>
</tr>
<tr>
<td><strong>Production Capability</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Production (LBS)</strong></td>
<td>805</td>
<td>1,246</td>
<td>1,246</td>
</tr>
<tr>
<td><strong>Lbs of Bud</strong></td>
<td>523</td>
<td>810</td>
<td>810</td>
</tr>
<tr>
<td><strong>Lbs (of Bud) marked for Retail</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Lbs (of Bud) for Wholesale</strong></td>
<td>523</td>
<td>810</td>
<td>810</td>
</tr>
<tr>
<td><strong>Bud Revenue</strong></td>
<td>1,176,725</td>
<td>1,822,025</td>
<td>1,822,025</td>
</tr>
<tr>
<td><strong>Trim Lbs</strong></td>
<td>282</td>
<td>436</td>
<td>436</td>
</tr>
<tr>
<td><strong>Trim Revenue</strong></td>
<td>112,644</td>
<td>174,416</td>
<td>174,416</td>
</tr>
<tr>
<td><strong>Production Revenue ($)</strong></td>
<td>$1,289,368</td>
<td>$1,996,441</td>
<td>$1,996,441</td>
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</table>

## COGS

<table>
<thead>
<tr>
<th></th>
<th>Year 1 (1st 12 Months)</th>
<th>Year 2 (2nd 12 Months)</th>
<th>Year 3 (3rd 12 Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cultivation Labor</strong></td>
<td>$42,431</td>
<td>$42,431</td>
<td>$42,431</td>
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<tr>
<td><strong>Trim Labor</strong></td>
<td>$12,237</td>
<td>$17,275</td>
<td>$17,275</td>
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<tr>
<td><strong>Packaging/Labeling</strong></td>
<td>$30,086.05</td>
<td>$46,584.86</td>
<td>$46,584.86</td>
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<tr>
<td><strong>Nutrients</strong></td>
<td>$40,800</td>
<td>$40,800</td>
<td>$40,800</td>
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<tr>
<td><strong>CO2</strong></td>
<td>$6,120</td>
<td>$6,120</td>
<td>$6,120</td>
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<tr>
<td><strong>Electric</strong></td>
<td>$76,500</td>
<td>$76,500</td>
<td>$76,500</td>
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<tr>
<td><strong>Total COGS</strong></td>
<td>$183,529</td>
<td>$191,551</td>
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## Fixed Expense

<table>
<thead>
<tr>
<th></th>
<th>Year 1 (1st 12 Months)</th>
<th>Year 2 (2nd 12 Months)</th>
<th>Year 3 (3rd 12 Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lease Expense</strong></td>
<td>$30,000</td>
<td>$30,000</td>
<td>$30,000</td>
</tr>
<tr>
<td><strong>Security Service/Transport Fees</strong></td>
<td>24,000</td>
<td>24,000</td>
<td>24,000</td>
</tr>
<tr>
<td><strong>Security Cameras/Alarms</strong></td>
<td>6,000</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>Compliance</strong></td>
<td>24,000</td>
<td>24,000</td>
<td>24,000</td>
</tr>
<tr>
<td><strong>Seed to Sale System</strong></td>
<td>4,200</td>
<td>4,200</td>
<td>4,200</td>
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<tr>
<td><strong>Cultivation Consult</strong></td>
<td>6,000</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>CAMs</strong></td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td><strong>Licensing Fee</strong></td>
<td>6,000</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>Insurance</strong></td>
<td>12,000</td>
<td>12,000</td>
<td>12,000</td>
</tr>
<tr>
<td><strong>Accounting</strong></td>
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<td>9,000</td>
<td>9,000</td>
</tr>
<tr>
<td><strong>Legal</strong></td>
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<td>9,000</td>
<td>9,000</td>
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<tr>
<td><strong>Corp OH/ Management</strong></td>
<td>480,000</td>
<td>480,000</td>
<td>480,000</td>
</tr>
<tr>
<td><strong>Repairs and Main.</strong></td>
<td>12,000</td>
<td>12,000</td>
<td>12,000</td>
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<tr>
<td><strong>Marketing</strong></td>
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<td>24,000</td>
<td>24,000</td>
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<tr>
<td><strong>Charitable Contributions</strong></td>
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<td>4,991</td>
<td>4,991</td>
</tr>
<tr>
<td><strong>Misc</strong></td>
<td>18,000</td>
<td>18,000</td>
<td>18,000</td>
</tr>
<tr>
<td><strong>Internet/Phones</strong></td>
<td>6,000</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>Total Fixed Costs</strong></td>
<td>$674,923</td>
<td>$676,691</td>
<td>$676,691</td>
</tr>
<tr>
<td><strong>Net Income Before Tax</strong></td>
<td>$430,916</td>
<td>$1,128,199</td>
<td>$1,128,199</td>
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</tbody>
</table>