



City of Woodland
Meeting Agenda
Planning Commission

City Hall
Council Chambers
300 First Street
Woodland, CA 95695

September 20, 2018
6:30 PM

Please Note: The numerical order of items on this agenda is for the convenience of reference; items may be taken out of order. No new items shall begin after 10:30 pm unless unanimous consent exists to continue.

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. STAFF AND COMMISSIONER COMMENTS

This is an opportunity for the Planning Commission members and staff to make comments and announcements to express concerns, or to request Commission's consideration of any items a Commission member would like to have discussed at a future Commission meeting.

E. SUBCOMMITTEE REPORTS

F. COMMUNICATIONS FROM THE PUBLIC

G. APPROVAL OF MINUTES

H. PUBLIC HEARING

1. **ProTerp Manufacturing, LLC a Commercial Cannabis Manufacturing Facility:** A Proposed Conditional Use Permit for a Commercial Cannabis Manufacturing Facility Located at 1230 Harter Avenue, Suite F: PLNG 18-00039

Staff recommends that the Planning Commission:

1. Receive the staff report;
2. Conduct a public hearing;
3. Find that the project is exempt from further environmental review pursuant to Class 1 and Class 32 Categorical Exemptions under the California Environmental Quality Act (CEQA) and find that the Exemptions reflect the independent judgement of the City as lead agency under CEQA;
4. Approve Planning Commission Resolution No. PC - _____ recommending that the City Council approve a Conditional Use Permit for cannabis manufacturing at 1230 Harter Avenue, Suite F, conditioned upon approval of appropriate Cannabis Business Permit and the recommended conditions of approval.

2. **Epic Bros Enterprises, Inc Commercial Cannabis Distribution Facility:** A Proposed Conditional Use Permit for a Commercial Cannabis Distribution Facility Located at 1230 Harter Avenue, Suite J: PLNG 18-00069.
Staff recommends that the Planning Commission:
 1. Receive the staff report;
 2. Conduct a public hearing;
 3. Find that the project is exempt from further environmental review pursuant to Class 1 and Class 32 Categorical Exemptions under the California Environmental Quality Act (CEQA) and find that the Exemptions reflect the independent judgement of the City as lead agency under CEQA;
 4. Approve Planning Commission Resolution No. PC - 18-___ recommending that the City Council approve a Conditional Use Permit for cannabis distribution facility at 1230 Harter Avenue, Suite J, conditioned upon approval of appropriate Cannabis Business Permit and the recommended conditions of approval.
3. **Tanforan Ventures, LLC Cannabis Manufacturing, Distribution and Testing Facility:** Proposed Master Conditional Use Permit for a Commercial Cannabis Manufacturing, Distribution, and Testing Lab Facility Located at 1460 Tanforan Avenue: PLNG 18-00027

Staff recommends that the Planning Commission take action on the following:

- 1) Receive the staff report;
- 2) Conduct a public hearing;
- 3) Find that the project is exempt from further environmental review pursuant to Class 1 Categorical Exemption under the California Environmental Quality Act (CEQA) and find that the Exemptions reflect the independent judgement of the City as lead agency under CEQA;
- 3) Approve Planning Commission Resolution No. PC - 18 -___ recommending that the City Council approve a Conditional Use Permit for cannabis manufacturing, distribution and testing laboratory at 1460 Tanforan Avenue, Suites A and B, conditioned upon approval of appropriate Cannabis Business Permit and the recommended conditions of approval.

I. BUSINESS ITEMS

J. STAFF OR COMMISSIONER COMMENTS

K. ADJOURNMENT

The Planning Commission of the City of Woodland encourages all parties interested in a matter scheduled to be reviewed, discussed and acted on at a meeting, to participate in the public discourse, which may include the submission of written comments and materials. The Planning Commission notifies the public that those materials received less than 24 hours before a meeting date and time may not be able to be considered completely. Further, the Planning Commission encourages interested parties to attend the meeting to discuss any matter of concern and to explain their comments more fully.



TO: THE MEMBERS OF THE PLANNING COMMISSION
AGENDA: Planning Commission Meeting
DATE: September 20, 2018
ITEM #: H.1.
SUBJECT: **ProTerp Manufacturing, LLC Commercial Cannabis Manufacturing Facility**

ProTerp Manufacturing, LLC Commercial Cannabis Manufacturing Facility: A Proposed Conditional Use Permit for a Commercial Cannabis Manufacturing Facility Located at 1230 Harter Avenue, Suite F: PLNG 18-00039

Location: 1230 Harter Avenue, Suite F, Woodland CA 95776

Applicant/Owner: ProTerp Manufacturing, LLC/Ethan Conrad Properties

Environmental Report: Categorical Exemption

APN: -027-420-023

Project Planner: Cindy Norris, Principal Planner

Staff Recommendation: Conditional Approval

Report For: Planning Commission Public Hearing – September 20, 2018

General Plan Designation: Industrial/ Light Industrial Flex Overlay (I/LIF)

Existing Land Uses: The site is currently developed with a 42,241 square foot industrial building of which the applicant is proposing to occupy 10,055 square feet.

Adjacent Land Uses & Zoning:

<u>DIRECTION</u>	<u>LAND USE</u>	<u>ZONING</u>
North	Existing Industrial/Harter Avenue	I/LIF
South	Existing Industrial	I/LIF
East	Existing Industrial	I/LIF
West	Existing Industrial/Harter Avenue	I/LIF

Flood Zone: Flood Zone AE – Map #06113C0 455H dated May 16, 2012.

Street Access: East Street and Harter Avenue

Pending/Potential Action

Staff recommends that the Planning Commission:

1. Receive the staff report;
2. Conduct a public hearing;
3. Find that the project is exempt from further environmental review pursuant to Class 1 and Class 32 Categorical Exemptions under the California Environmental Quality Act (CEQA) and find that the Exemptions reflect the independent judgement of the City as lead agency under CEQA;
4. Approve Planning Commission Resolution No. PC - 18-___ recommending that the City Council approve a Conditional Use Permit for cannabis manufacturing at 1230 Harter Avenue, Suite F, conditioned upon approval of appropriate Cannabis Business Permit and the recommended conditions of approval.

Project Site Description

The overall project site is 3.66 acres in size and occupied by three buildings at 460, 1230, and 1250 Harter Avenue. The subject building at 1230 Harter Avenue is an existing one-story multi-tenant building approximately 42,241 square feet in size and houses multiple tenants (See Attachment 2, Site and Floor Plan). The property is bounded by vacant land, existing industrial development and East Street to the west, Harter Avenue and Interstate-5 to the north, and existing industrial development to the east and south. The applicant is proposing to occupy Suite F which is located in the south east corner of the building.



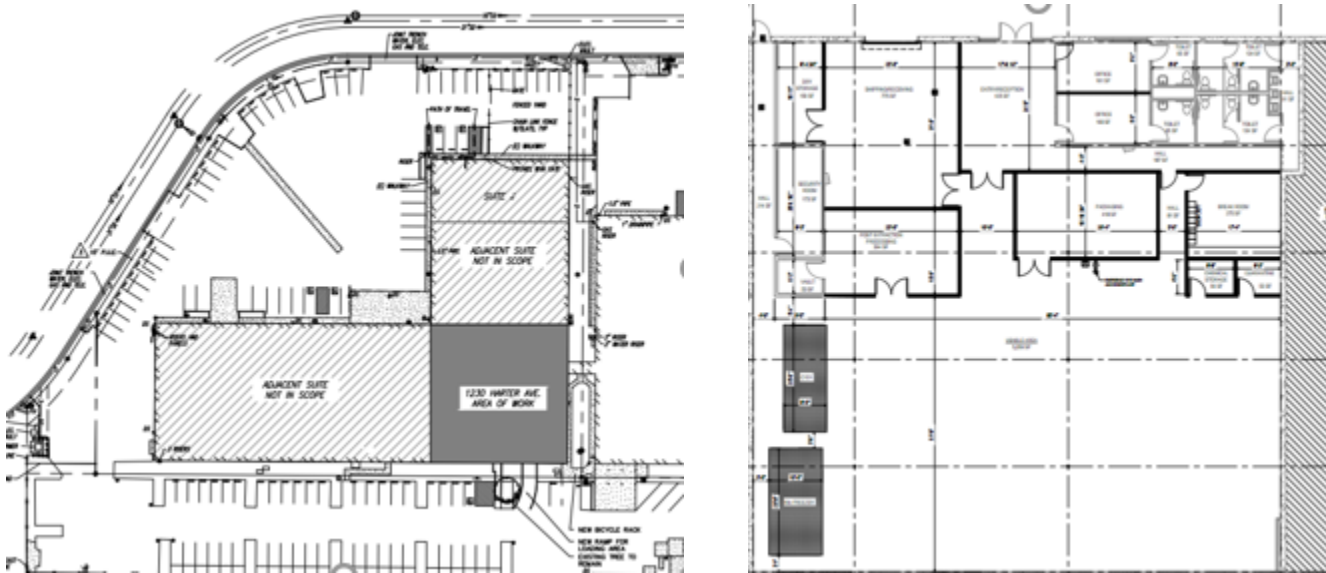
(1000 foot radius from the parcel)

The property is zoned for Industrial with a Light Industrial Flex Overlay and the proposed use may be considered with approval of a Conditional Use Permit by the City Council as the final acting body.

Project Proposal

On May 15, 2018, ProTerp Manufacturing, LLC applied for a Conditional Use Permit (CUP). The applicant is requesting a recommendation of approval to the City Council for a Conditional Use Permit by the Planning Commission, which will allow ProTerp Manufacturing to occupy approximately 10,055 square feet in the existing building at 1230 Harter, Suite F, as a volatile manufacturing extraction lab. Approximately 1,455 square feet of space will be for office use with 8,600 square feet allocated for manufacturing purposes. (See Attachment 1, Statement of Justification and Vicinity Map). Under the terms and conditions of approval ProTerp Manufacturing, LLC will be required to obtain a Cannabis Business Permit for Volatile

Manufacturing, (Ordinance 1629 and 1630), and appropriate State Licensing (Type 7 – Medical and Adult Volatile Commercial Cannabis Manufacturing). No customers or sales will occur at the facility along with no signage or identification regarding the type of business that is operating.



(Site Plan) (Floor Plan)

Background

On November 8, 2016 California voters approved Proposition 64, known as the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA). AUMA legalized non-medical cannabis use, possession and cultivation by persons 21 years of age and older. With the majority vote passage, the provisions related to personal use, possession and cultivation of non-medical cannabis went into effect on November 9, 2016. Commercial non-medical cannabis activities also became legal on November 9, 2016, although commercial activities require state licenses. The state began issuing licenses for commercial activities on January 1, 2018.

On June 27, 2017, California Senate Bill 94 was signed into law, repealing the Medical Cannabis Regulation and Safety Act (MCRSA) and amending AUMA to consolidate state licensing of medical and non-medical commercial activities. The new law is now called the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

On September 16, 2017, Assembly Bill 133 was signed into law by Governor Brown and it made numerous minor amendments to MAUCRSA. One of the amendments removed the requirement that cannabis businesses maintain separate and distinct premises for each use. Now multiple uses may be located at the same location, so long as a separate state license is obtained for each location where commercial cannabis activity occurs, subject to applicable state regulations.

To date the City of Woodland has passed several Ordinances to update the Municipal Code to address both personal and commercial cannabis uses. On December 5, 2017 the City Council approved Ordinance 1629 to add Article 21.6 of Chapter 25 to the Municipal Code relating to the zoning of Commercial Cannabis uses. The Council also approved Ordinance 1630 to add Chapter 13A to the Municipal Code related to commercial cannabis business permits and operating regulations. Ordinance 1629 allows consideration for up to six (6) conditional use permits for cannabis uses, which may be located in the Industrial or Industrial with Light Industrial Flex Overlay zones. The Ordinance allows the consideration of multiple cannabis license type in one

location to be considered under one Conditional Use Permit. However, each business entity will be required to obtain separate Cannabis Business Permits (CBP). An operating agreement, to be approved by the Community Development Director, consistent with council approved conditions, will be required with each CBP.

To date, the City has received three Cannabis conditional use permit applications.

ANALYSIS

Public Notification

Public notice advertising for the public hearing on this project was prepared by the Community Development Department in accordance with notification procedures set forth in the City of Woodland's Municipal Code and State Planning Law. Two methods of public notice were used:

- Legal notice was published in the Woodland Daily Democrat at least ten days prior to the public hearing.
- Notices were mailed to all property owners within 1,000 feet of the project site.

Applicable Laws, Codes & Ordinances

This project is subject to several laws, codes and ordinances:

- The City of Woodland General Plan
- The City of Woodland Zoning Ordinance
- City of Woodland Cannabis Business Permit Requirements
- Community Design Standards
- California Environmental Quality Act (CEQA)

Environmental Assessment Status

Staff has determined that a Class 1 Categorical Exemption (Existing Facilities) pursuant to Section 15301 of the CEQA Guidelines and a Class 32 Categorical Exemption (Infill Development) pursuant to Section 15332 of the CEQA Guidelines is the appropriate level of CEQA review for this document. Class 1 consists of the operation, repair, maintenance, permitting, leasing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agencies' determination. Class 32 exemption consists of projects characterized as in-fill development within urbanized areas. The class consists of environmentally benign in-fill projects located on sites that are less than 5 acres and consistent with local general plan and zoning requirements. The project will not have any biological, air, water, traffic, or noise impacts. The proposed use would occupy approximately 10,055 square feet space within an existing industrial multi-tenant building that has previously been occupied by industrial and manufacturing uses similar to the proposed project.

Reviewing Agency Comments

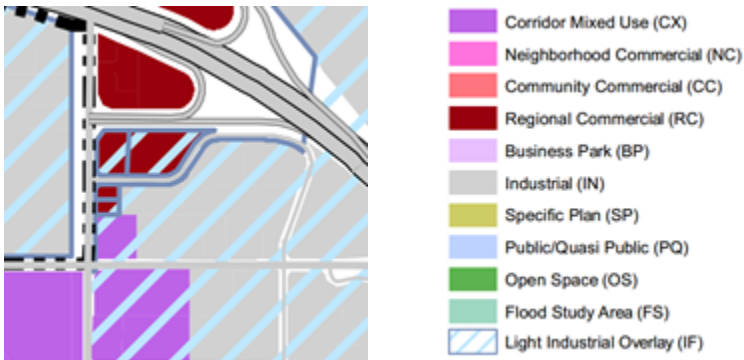
The project has been circulated to other city divisions and departments for review as well as to agencies outside the City of Woodland who have may have interest in the application including Air Quality, Waste Management, Yolo County, Yolo County Office of Education, and PG & E. All reviewing agency comments have been integrated into the conditions of approval.

Staff Analysis

2035 General Plan Consistency

The 2035 General Plan (GP) designation for the site is Industrial with a Light Industrial Flex Overlay (I/LIF). The proposed use of the site is consistent with the General Plan and shall be reviewed in accordance to the policies listed in conditional use permit discussion below. The General Plan describes this land use designation as follows:

When applied over the Industrial base designation, the Light Industrial Flex Overlay provides for a mix of general, light to custom industrial and manufacturing uses, including multi-tenant spaces with offices, contractor storage, agricultural processing, food producers, industrial technology, and other sensitive processing uses that require controlled performance standards.



(General Plan Land Use Diagram)

Climate Action Plan Consistency

The project involves the re-use of an existing building that will be re-purposed and upgraded to encourage new technology and an employment generating use. Strategy T/LU-2 encourages Redevelopment and Repurposing. The Climate Action Plan assumed that development would occur and continue within the urban areas of the city. In this instance, project has been conditioned to encourage and utilize energy saving features as appropriate including solar consistent with Strategy E-3. The applicant will be required to submit a statement with their building construction plans describing measures that they will be implementing.

Zoning Consistency – Chapter 25

The zoning designation for the site is Industrial with Light Industrial Flex Overlay (I/LIF), which provides for types of animal and food processing uses, manufacturing uses, industrial yard uses, warehouse and storage uses and other related miscellaneous uses, such as office space and general agriculture. The proposed future use of the site is industrial and is consistent with the Zoning Ordinance.

The site is existing and developed as an industrial multi-tenant development. No significant exterior changes are proposed. The site meets all standards and criteria required in the Industrial District. The site has significant parking available. The building has existing loading doors.

Access and Parking:

There is adequate parking provided for use. The total site encompassing three buildings has approximately 258 parking spaces. The unit at 10,055 square feet would require 5 parking spaces based on the ratio of one space per 2,000 square feet of gross floor area (1/2000). The applicant proposes to add a bike rack to the south side of

the building. The site was designed to accommodate truck loading and buildings have multiple loading doors. The facility currently has commercial glass doors that were installed in place of a roll up door. The applicant intends to add a new roll up door to the south side of the building, to the east of the entry door to provide secure intake and output.

Landscaping:

The site has existing mature landscaping. The application will be conditioned to require on-going maintenance and replacement of any dead or dying plant materials.

600-foot Sensitivity Buffer

There are no sensitive uses within 600 feet of the parcel edge of the subject property. The site is greater than 2,000 feet from the Yolo County Office of Education and separated by the I-5 Freeway.

Conditional Use Permit Review

A conditional Use Permit (CUP) affords broad public review and evaluation of those uses which require special consideration to ensure proper integration into the community; mitigation of any potentially adverse impacts; and making the required findings to permit the use. In considering an application for a conditional use, due regard shall be given to the nature and condition of the proposed or existing use and all adjacent uses and structured and may impose such requirements and condition with respect to location, construction, maintenance, and operation, as may be deemed necessary for the protection of adjacent properties and the public interest. Conditional Use Permit analysis typically includes consideration of proposed use; hours of operation; consistency with zoning standards such as parking; compatibility with existing uses and structures in the surrounding area; and other criteria as may be deemed appropriate.

A CUP runs with the land unless the use ceases or the CUP is revoked. Once approved, should ownership of the land or the business change, the CUP would remain valid at the location approved. In addition to the CUP land use considerations above, the Cannabis Ordinance 1629 (Municipal Code 25-21.6.50(c)): provides other specific factors that shall be considered by the Planning Commission and ultimately the City Council including the following:

(1) The type of proposed use by the applicant:

The requested use is a conditionally allowed use in the zone regulations. The use would fit the category of cannabis manufacturing (volatile) in the Zoning Land Use Matrix. The use is consistent with the General Plan. General Plan policies that specifically relate to this request include the following:

2.D.3 – Technology Sector: Grow the technology sector in Woodland by leveraging the research strength at U.C. Davis. Encourage smaller companies and start-ups to locate in incubator spaces in Downtown and in areas with the Light Industrial Overlay designation.

2.E.7 – Public Safety and Community Design: Promote design that enhances public safety and discourages crime by providing buildings that engage the street, as well as adequate lighting and sight lines.

4.C.6 – Monitor Trends: Monitor economic trends to identify emerging industries, new market opportunities, and the performance and mix of businesses to allow the City to be proactive and adjust to market changes.

4.C.9 – Importance of Agricultural Industry. Recognize the importance of agriculture-related business and industries to the City and region, and support the continuation and development of agriculture and agriculture-related enterprises in and around Woodland.

4.E.1 – Job Expansion through Business Expansion: Encourage the expansion and attraction of diverse businesses and industries that create and increase the quality and amount of stable, year- round jobs locally.

(2) Whether the proposed use will be detrimental to the health, safety and welfare of the community:

The proposed facility would be contained within the existing building with numerous redundant security measures employed via a security plan reviewed and approved by the City of Woodland Police Department. The facility would not have exterior signage and would not be open to the public. Vehicles used to transport cannabis would be unmarked but also secure. The tenant improvement plans will undergo review and inspection by both the Building and Fire Divisions to ensure the proper construction, installation and operation of manufacturing equipment. The City will conduct annual review of the facilities and annual review of the general business operations. The applicant must also comply with all other agencies including health and state operating requirements.

(3) Whether the use would enhance the economic viability of the area in which it is proposed to be located, including adjacent and surrounding properties:

The proposed facility will provide a new source of employment and revenue to the City while remaining under close regulation and oversight by both the City and State.

(4) Whether the applicant has adequately addressed potential community benefits of the use to offset potential adverse impacts:

At the time of approval of a Cannabis Business Permit, an applicant will be required to pay a fee which has been determined to provide adequate cost recovery to the city for all activities, including police surveillance, associated with the proposed business. Further, as provided in a required operating agreement, a generalized contribution will be determined based on gross receipts derived from cannabis uses that will generate essential funds for protecting vital City services and facilities and mitigate impacts, and will help fund general municipal services and place such businesses on more equal footing with existing City businesses.

The applicant has also included a Community Relations Plan and assigned a Community Relations Manager, Nuriya Safarova. In a letter to adjacent businesses they have provided contact information and explained their intent and mission to be a compliant business and to be a model for other similar businesses (Attachments 5 and 6)

(5) The extent of support or opposition to the proposed use and the location from members of the community:

Upon receipt of the initial application, several letters of support from adjacent businesses were provided in the package and are proved herein (Attachment 4). Further, public notice of the proposed cannabis use was provided in accordance with state law and in accordance with city requirements for notice within a 1,000-foot radius.

(6) The number of cannabis uses located or proposed to be located within 1,000 feet of the proposed location:

The closest proposed cannabis use is for a cannabis distribution facility located within the same building in Suite J, by Epic Bros Enterprises, Inc. An additional commercial cannabis facility is proposed at 1460 Tanforan Avenue which is approximately 2,090 feet from this project site (measured from parcel to parcel) and separated by the I-5 Freeway.

However, the reality is that there are a limited number of sites and/or buildings currently available to cannabis uses. This limitation may be due to a number of reasons, such as the reluctance of some owners to lease space to cannabis uses; a lack of availability of smaller spaces within industrial buildings, which are more suitable to smaller scale manufacturing uses; and a number of restricted sites due to their proximity to sensitive uses. It is possible in the future that more cannabis related uses may request to locate in this proximate area due to the appropriate facility size available and a willing property owner.

Comments received have also intimated that vertical integration of uses is the most desirable for quality control purposes and safety. Vertical integration involves the combination of related cannabis uses housed in one facility. It has been suggested that should the city consider allowing indoor commercial cultivation, that additional larger sized buildings may function better for cannabis uses.

(7) The extent to which the proposed use would cause a further over concentration of that particular type of use in the area:

At this time, there is no over concentration of cannabis uses. See discussion above. The City may find that on a limited scale that it is acceptable to have multiple cannabis uses located in a specific area.

(8) The background and history of the applicant, including the nature and extent of problems on any premises where he or she has operated a cannabis business in the past:

The applicants have completed all requests for “Live Scan” and provided all relevant background information concerning past history with regard to Cannabis uses. At this time, there do not appear to be any significant concerns identified.

(9) Whether there is a history of police or crime related problems in the area of the proposed location which may be exacerbated by the establishment of the proposed cannabis use.

The Police Department ran review of calls for service within a 1000-foot radius from the project site for the past calendar year. The calls for service do not reflect a high volume of police activity, especially for crime related calls. It is believed that establishment of the proposed cannabis operation, as conditioned, would not exacerbate crime related activities.

Cannabis Business Permit Review – Municipal Code Chapter 13A

The CBP provides for the review of operational features for each cannabis business entity and is required in addition to a state license. A CBP is required prior to initial operation and requires annual review. Prior to issuance of the CBP fees must be paid and a final Operating Agreement authorized. The CBP is approved by the Community Development Director. Operating details including a Security Plan, Lighting Plan, Odor Control Plan, Business Plan, Community Relations Plan, as well as an Operating Agreement and Indemnification statement are required as part of the CBP review. Some of these items, such as the Odor Control Plan and Community Relations Plan have been provided as part of the Conditional Use Permit review and are included as Attachments.

Community Relations Plan

A plan that describes who is designated as being responsible for outreach and communication with the surrounding community, including the neighborhood and businesses, and how the designee can be contacted. The community relations plan must include a description of the community benefit the business will provide, or proposes to provide, to the surrounding community. The applicant has provided an initial Community Relations Plan with the CUP application (Attachment 5 and 6)

Business Plan

A plan describing how the cannabis business will operate in accordance with this code, state law, and other applicable regulations. The plan must include plans for hours of operation, handling cash, and transporting cannabis and cannabis products to and from the business site, as may be applicable. Some aspects of this plan may be confidential. The applicant has provided an initial Business Plan with the CUP application (Attachment 4)

Odor Control Plan

A detailed ventilation plan describing the air treatment system, or other methods implemented to prevent offensive odors generated from the manufacturing, testing, and /or storage of cannabis from being detected outside the building. The applicant has provided an initial Odor Control Plan with the CUP application (Attachment 7)

Security Plan

The Draft Security Plan is a confidential document that generally addresses safety concerns related to vandalism, internal and external theft, lighting, video surveillance, security personnel, and other crime prevention. Because this document is confidential, it cannot be attached to this report. All interested parties to a cannabis business permit application are subject to fingerprinting and a criminal background investigation. The security plan has been reviewed by the Police and Fire Departments as part of the conditional use permit review.

Operating Agreement and Indemnification

The City and applicant shall enter into an operating agreement, in a form approved by the city attorney, in which the applicant released the city from any damages or liabilities of any kind for violation of state or federal law and agrees to defend, indemnifies, against any and all claims or actions. In addition, the applicant agrees to operating terms and conditions mutually agreed upon that ensure that the community benefits derived from the proposed cannabis business adequately address potential adverse effects.

Appeal

The Planning Commission action on the Conditional Use Permit shall be final unless, within **ten (10) calendar days** after the decision, the applicant or any other person, including the City Council, any individual City Council member, or the City Manager, not satisfied with the decision of the Planning Commission, may appeal to the City Council. No conflict of interest shall exist solely by reason of the filing of an appeal by the City Council, an individual City Council member, or the City Manager. Any appeal shall be filed with the City

Clerk and, except an appeal by the City Council, a Council member, or the City Manager, shall be accompanied by a filing fee as prescribed by City Council resolution. The City Clerk shall set a date for a public hearing and shall give notice to the appellant, the applicant, and neighboring property owners in the manner provided in Section 25-27-20.

Attachments:

1. 1 PC Reso ProTerp CANN CUP
2. 2 Applicaiton Justification Statement and Statement of Proposed Use
3. 3 1230 Harter Suite F Site Plan and Elevations
4. 4 Business Plan
5. 5 Community Relations Plan
6. 6 Neighborhood Letter
7. 7 Odor Control Plan.ProTerp
8. 8 Energy Efficiency Plan ProTerp
9. 9 Plant Oil and Chemical Waste Disposal

**PLANNING COMMISSION
RESOLUTION NO. PC 18-0_____**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF
WOODLAND RECOMMENDING THE CITY COUNCIL OF THE CITY OF
WOODLAND APPROVE A CONDITIONAL USE PERMIT FOR A CANNABIS
MANUFACTURING BUSINESS LOCATED AT 1230 HARTER AVENUE,
SUITE F**

WHEREAS, the applicant has applied for a Conditional Use Permit to manufacture cannabis in a 10,055 square foot suite within an existing one-story multi-tenant 42,241 square foot building on a 3.66 acre parcel in the Industrial with a Light Industrial Flex Overlay zone; and

WHEREAS, the project is exempt from further environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Class 1 Categorical Exemption, Existing Facilities) and CEQA Guidelines Section 15332 (Class 32 Categorical Exemption, Infill Development), as the Planning Commission of the City of Woodland finds as follows:

- The project consists of the permitting and minor alterations of an existing private structure that involves negligible expansion of the use beyond that existing at the time of the lead agencies initial determination as the existing facility is already zoned to allow industrial and manufacturing uses similar to the proposed project;
- The project consists of minor alterations for additional mechanical and security equipment to operate a cannabis business that utilizes existing utility infrastructure;
- The project is located on a site that is less than 5 acres and will not have any biological, air, water, traffic, or noise impacts; and

WHEREAS, the proposed use and its operating characteristics are consistent with the general plan, as the site is located in the Industrial/ Light Industrial Flex Overlay designation, which provides for industrial and manufacturing uses that occur entirely within an enclosed building and are employment generating; and

WHEREAS, The Planning Commission finds that the proposed use is consistent with policies that encourage job expansion through business expansion, that encourage emerging industries and new market opportunities, that support agricultural related industry as well as the technology sector; and

WHEREAS, the Planning Commission finds that the proposed use and its operating characteristics are consistent with the applicable standards, requirements, and regulations of the zoning district in which it is located, and of all other provisions contained in Article 25-21.6 pertaining to commercial cannabis uses, and all operations will be conducted inside of the existing building; and

WHEREAS, the proposed use is in on a site and in a building that is physically suitable in terms of location, size, topography, and access, and that is adequately served by public and private services and utilities; and

WHEREAS, the proposed cannabis business uses will not adversely affect the peace or general welfare of the surrounding neighborhood, as follows:

- The proposed use is not consumer based (no retail sales will occur at the premises) and therefore, will result in low vehicle traffic;
- The odor control plan will ensure no odors will be detectible outside the building;
- All activities will take place inside the building and will not be visible from the outside;
- All signage will be limited and the applicant will have a final lighting and security plan approved by the Police and Fire Departments to ensure internal and external safety; and

WHEREAS, the proposed use will enhance the economic vitality of the area in which it is proposed to be located, including adjacent and surrounding properties, the applicant will provide tenant improvements to the building including the addition of walls, partitions, a new entrance, loading door and fenced secure loading and trash enclosures out side the building, and the project will be required to maintain the site in a clean and well kept manner; and

WHEREAS, based on existing circumstances, police data, and the background and history of the applicant, the Planning Commission finds that proposed use will not cause an overconcentration of cannabis uses in the area, potential community benefits of the use are likely to offset potential adverse impacts, and the proposed use is not likely to exacerbate crime-related problems in the area; and

WHEREAS, a public notice describing the proposed cannabis conditional use permit was published in the Daily Democrat, a newspaper of general circulation, in accordance with Government Code section 60661 and mailed to properties within 1,000 feet; and

NOW, THEREFORE BE IT RESOLVED, that the Planning Commission of the City of Woodland, based on substantial evidence in the administrative record of proceedings and pursuant to its independent review and consideration, does hereby make the above findings, determinations, and recommendations with respect to the proposed Conditional Use Permit and recommends to City Council approval of the proposed Conditional Use Permit, as conditioned and attached hereto.

PASSED AND ADOPTED by the Planning Commission this 20th day of September, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Marco Lizzaraga Chairperson

Cindy A. Norris, Principal Planner

CONDITIONS OF APPROVAL
ProTerp Manufacturing, LLC – 1230 Harter Avenue, Suite F

1. The project is as described in the staff report prepared for the September 20, 2018, Planning Commission meeting and shall consist of administrative offices, cannabis manufacturing facility (including authorized volatile extraction) within an existing 10,055 square foot tenant space. The project shall be established and operated as depicted in the staff report, except as modified in these conditions of approval and with any changes necessary to comply with City codes and specifications.
2. The applicant shall defend, indemnify, and hold harmless the City of Woodland, its agents, officers or employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul an approval of the subject application by the City, its legislative body, advisory agencies or administrative officers. The City will promptly notify the applicant of any such claim, action or proceeding against the City and the applicant will either, at the City's discretion, undertake defense of the matter and pay the City's associated legal costs, or will advance funds to pay for defense of the matter by the City Attorney.
3. The applicant shall secure approval and satisfy requirements of all agencies with jurisdiction prior to operating the cannabis business.
4. The Conditional Use Permit shall not be issued until the appeal period has expired or final action on an appeal has been rendered.
5. The Conditional Use Permit must be exercised within one year of issuance, or it shall be deemed null and void by act of law (Section 25-27-70).
6. The project approval is for the project as described in the above staff report and related attachments, which depict the projects proposed map, site and floor plans, business plan, community relations plan, odor control plan, energy efficiency plan, and plant oil and chemical waste disposal plan. Should there be a change in the use or an intensification of the described use, the change shall be described and provided in writing to be evaluated by the Community Development Director to determine general consistency with the provisions of the use permit. The Director shall either approve the proposed changes based on a finding that the changes shall not result in significant traffic, noise, safety or security concerns or other potential nuisance to surrounding property owners or within public right-of-ways beyond that anticipated by the original approval, or, if these findings cannot be made, the Director shall make a determination that a Conditional Use Permit Modification is required, which shall include Planning Commission review including applicable processing and development fees.
7. Environmental Recording Fee. Applicant shall provide the Community Development Department with a check for the sum of \$50 made out to Yolo County to record the CEQA environmental document (Notice of Exemption) with the County.
8. The applicant shall comply with all state and local laws and ordinances, including the provisions of Chapter 13A of the Municipal Code and the requirement to secure a Cannabis Business Permit, including approval of an Operating Agreement, for each business entity operating at the location as part of the approved conditional use permit. The applicant shall obtain and maintain, prior to operation of the business and continuing at all times the business is in operation, a valid Cannabis Business Permit and all applicable state license(s). All requirements, terms and conditions of the

Cannabis Business Permit, Operating Agreement, and applicable state license(s) shall be considered conditions of this conditional use permit. Failure to comply with all applicable state and local laws and ordinances, the Cannabis Business Permit, Operating Agreement, and/or applicable state license(s) shall be deemed a violation of the conditional use permit and may result in revocation of the use permit.

9. As set forth and agreed to in the Operating Agreement for each approved Cannabis Business Permit, the business/applicant shall pay a fee in the form and in the amount and manner agreed upon between the City and the business receiving a Cannabis Business Permit. If, during the term of the Operating Agreement, the city imposes an alternative revenue mechanism, specifically related to cannabis operations (e.g. cannabis tax), the business/applicant will pay the city the greater of the two payments, or as otherwise agreed by the city or mandated by law.
10. If the applicant wishes to relocate, significantly modify the approved site layout and allowed cannabis uses, the applicant shall secure a new conditional use permit, or modification to the existing conditional use permit prior to any modification or occupancy of the site by a new or modified use.
11. If the Community Development Director finds evidence that conditions of approval have not been fulfilled or that the use or uses has or have resulted in a substantial adverse effect on the health, and/or general welfare of users of adjacent property, or have a substantial adverse impact on public facilities or services, the Community Development Director may refer the Conditional Use Permit to the Planning Commission for further review. If, upon such review, the Commission finds that any of the adverse results above have occurred, the Planning Commission shall recommend to the City Council to modify or revoke the Conditional Use Permit. If upon such review the City Council finds that any of the above results have occurred, the City Council shall modify or revoke the Conditional Use Permit.
12. Upon receipt of a Cannabis Business Permit the applicant shall be subject to provisions relating to violations contained in Municipal Code Section 13A-1-09, or as may be amended.
13. The applicant shall submit a final security plan for review and approval by the Police Department prior to operation and shall comply with requirements included in Section 13A-4-02, or as may be amended.
14. The applicant's business shall not employ any juvenile under the age of 21.
15. No customers or sales shall occur at the facility.
16. All cannabis related activities shall take place in the interior of the building and any cannabis related activities outside the premises are strictly prohibited with the exception of the lawful receipt of raw cannabis materials received by the business and the delivery of finished lawful cannabis products to another lawful cannabis business, in accordance with all applicable state and local laws governing transportation of cannabis goods. There shall be no exterior storage of materials or equipment.
17. Approved numbers or addresses shall be placed on all new and existing buildings in such a position as to be plainly visible and legible from the street or road fronting the property. Said numbers shall contrast with their background.

18. The main entrance to the facility shall be clearly identified with proper signage to include name of business and address. Main entrance shall also provide adequate lighting per the City Security Ordinance and lighting regulations.
19. Applicant shall comply with the design requirements as stated in the Community Design Standards for any exterior changes, modifications, and additions to the subject building. All exterior changes beyond those stated in the original approval will require staff level design review.
20. The site shall be inspected and maintained daily to be clear of litter.
21. Any new signage, modifications or changes to the signage the applicant shall conform to the City Zoning Code and Sign Ordinance and shall comply with provisions of Section 13A-4-04 of the Municipal Code. Except as otherwise approved by the City in writing or by law, project signage shall include nothing in word or symbol, identifying the fact that the property is used for cannabis related activities.
22. No vehicle owned or operated by the business, or used for the transportation of product or individuals associated with the Facility shall include markings (in words or symbols) identifying the vehicle as a vehicle used for cannabis-related activities, unless otherwise required by law.
23. Photometric data shall be provided, and indicate that the parking area will be equipped with one (1) foot-candle of minimum maintained illumination per square foot of parking surface to include the entire paved area. The parking area shall be illuminated from dusk until the termination of business every operating day. Photometric data must also confirm the absent of "Hot Spots" or areas of ten (10) foot-candle of illumination per square foot or more.
24. All existing landscape planter areas shall be replanted and maintained per City Standards. Vegetative matter shall cover no less than 75% of the required landscape area unless otherwise approved by the Community Development Director. Maintenance shall include but is not limited to watering, fertilizing, weeding, cleaning, pruning, trimming, spraying and cultivation.
25. The applicant shall utilize building energy saving measures to reduce energy usage. The applicant shall submit a statement with the initial submittal of their building construction plans describing energy conserving measures that they will be implementing.
26. The applicant shall provide a minimum of two bike parking spaces for employees. Bike parking shall be provided in a safe a secure location.
27. Waste materials shall be appropriately handled. The applicant shall describe methods that will be used to make cannabis waste unusable and unrecognizable, and how cannabis waste will be stored prior to removal from the business. The applicant shall describe methods used to transport cannabis waste from the manufacturing site to a solid waste facility.
28. The applicant shall include a solvent waste disposal plan, including projected accumulation volumes and where on the property the solvent waste will be stored. The applicant shall describe how the business will transport solvent waste from the manufacturing site to a waste facility.
29. The applicant shall have an appropriate plan that considers all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation.

30. The applicant shall establish safety protocols that will be adopted, including, but not limited to: staff training, protective equipment, hazardous material handling, emergency communication/response protocols, etc. The applicant shall conform to all Cal OSHA workplace safety standards.
31. The applicant shall develop a quality control guidelines and standard operating procedures that are in strict adherence to MAUCRSA and applicable state regulations. The applicant shall establish quality control procedures for each business, manufacturing and testing to ensure that cannabis products are safe and suitable for human consumption and /or use. Quality control procedures will consider the proper handling and storage of raw materials, in-process materials, and finished product throughout the production process and shall ensure uniformity between each separately produced batch of cannabis product. This includes equipment inspection and maintenance, internal controls for each step in the process, internal batch sampling and testing.
32. The applicant shall institute policies and procedures used by the business to help prevent contamination of any cannabis product. This will include hand washing, employee training, use of facemasks/gloves, prohibiting employees who are showing signs of illness, open wounds, sores or skin infections from handling cannabis, etc.
33. A toxic material control plan will be provided with the Cannabis Business Permit application that contains a description of all toxic, flammable, or other materials that will be used or kept at the cannabis business, the location of such materials, and how such materials will be stored. The toxic material control plan will include all materials regulated by a federal, state, or local government that would have authority over the business if it was not a cannabis business.
34. The applicant will establish and utilize Standard Operating Procedures that describe the steps the manufacturing facility will take when notified from a testing agency, Health Officials, or California State Regulators, that the tested cannabis product does not meet appropriate health standards. The manufacturing operator shall describe how the business will dispose of all rejected cannabis product associated with the test sample, and ensure that rejected cannabis product is not released to the public. In addition, the manufacturing operator shall provide a recall procedure which describes the policy for communicating with customers and businesses who have purchased the product from the manufacturing facility, as well as health officials. The recall plan shall describe the method to collect recalled product and dispose of it in a manner that ensures it will not be consumed.
35. Any Cannabis manufacturer shall comply with all requirements provided by the California Department of Public Health (CDPH)

BUILDING

The following comments are from the City of Woodland Building Division and are applicable to the reference project:

36. This project must meet all criteria and mandates for these City adopted codes or the most current code:
 - a. 2016 California Building Code
 - b. 2016 California Plumbing Code
 - c. 2016 California Mechanical Code
 - d. 2016 California Electrical Code
 - e. 2016 Building Energy Efficiency Standards
 - f. 2016 California Green Building Code

g. The Code of the City of Woodland

37. The project will require engineered building plans for the proposed work to be plan reviewed and inspected to ensure safety. This would include compliance with California Building Codes (including the 2016 California Fire Code Chapter 38 in the July 1st, 2018 Supplement, Plant Processing and Extraction Facilities) and applicable NFPA standards.
38. Other City and County Agencies (Health, Fire, Public Works, and Planning) are be required to approve the project prior to a building permit being issued.
39. A licensed architect or licensed engineer shall be responsible for reviewing and coordinating all submittal documents prepared by others, including deferred submittal items, for compatibility with the design of the building.
40. The project will provide a final odor control plan for review and approval prior to issuance of building permits.

FIRE

41. One-hour separation wall shall be inspected for integrity and conformance to original installation standards. Inspection shall be performed on both sides of the rated wall.
42. Exit doors shall be provided with panic hardware. Exit doors shall swing in the direction of egress travel.
43. Provide exit signs and emergency means of egress illumination.
44. Prior to final occupancy, provide confirmation from a licensed professional (fire protection engineer) indicating the existing fire sprinkler system adequately provides the level of protection required for the specific operation and associated hazardous materials involved.

ENVIRONMENTAL SERVICES

45. Management of Waste

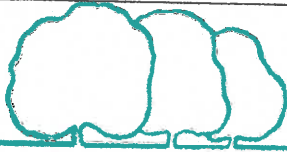
- a. If the waste generated from the cannabis facility contains green byproduct, meaning that it contains buds or that the byproduct can still be used for the making of oils or the like, then the materials must be serviced as waste (trash). Yolo County Central Landfill requires these loads to obtain a certificate of destruction with each disposal.
- b. If the waste generated is brown and does not contain buds or usable byproduct, then the materials should be hauled as organic waste, which will be composted and considered diverted materials. If loads taken to the Yolo County Central Landfill contain any green byproduct, they will be processed as waste and will require a certification of destruction.
- c. Any hazardous waste materials generated (i.e. solvents, pesticides, chemicals, lamp ballasts, canisters/cylinders, personal protection equipment with residual, etc.) must be disposed of through a hazardous waste facility. Yolo County Central Landfill accepts commercial hazardous waste through their Conditionally Exempt Small Quantity Generator (CESQG) business program.
- d. Recycling (cardboard, paper, and plastic, glass, or metal containers) is also required and should be separated from any waste or organics recycling loads.

- e. Materials may be self-hauled to a waste or compost facility by the business in which the materials were generated. If self-hauled to the Yolo County Central Landfill, the above disposal procedures will be in effect.
- f. If the materials are not self-hauled, Waste Management is the exclusive waste, recycling and organics recycling hauler for Woodland and must be used for disposal services. The business may not pay another company besides Waste Management to haul waste, recyclables, or organic materials.
- g. The types of services, collection frequency, and bin sizes for waste and/or organics recycling services should be determined through Waste Management upon an assessment of the facility and types of materials generated.
- h. Depending on the amount of materials generated, all waste generated from the facility should be removed from the premise no less than one time per week.
- i. The City of Woodland, its residents and businesses have an obligation to meet state-mandated waste diversion requirements and requests that businesses make the highest effort possible to divert their waste through recycling or composting (organics recycling). Waste generated by a business should be processed in a manner that meet the landfill's requirements for acceptance as organic waste/composting.
- j. Bins (dumpsters), roll-offs (debris boxes), or trailers used to collect materials must be stationed in an area not generally accessible to the public. Bins should be either padlocked, located inside a non-accessible enclosure or inside of the business to deter scavenging.

POLICE

- 46. Site plans and floor plans shall be completed to the satisfaction of the Police Department CPTED requirements prior to issuance of building permits.
- 47. Exterior lighting shall be white light using LED lamps with full cutoff fixtures to limit glare and light trespass. Color temperature should be between 2700K and 4200K with a color rendering index of 75 or better and a light loss factor of 0.95 or better. All existing exterior fixtures shall be replaced with fixtures that meet this requirement.
- 48. Broken or damaged exterior lighting shall be repaired or replaced within 48 hours of being noted.
- 49. Exterior lighting shall be shielded or otherwise designed to avoid spill-over illumination to adjacent streets and properties.
- 50. Tree canopies shall not interfere with or block lighting. This creates shadows and areas of concealment. The landscaping plan shall allow for proper illumination and visibility regarding lighting and surveillance cameras through the maturity of trees and shrubs.
- 51. All solid core doors shall be equipped with a 180 degree viewing device to screen persons before allowing entry.

52. The business shall be equipped with and maintain a security system with an alarm system with a valid UL Certificate in accordance with ANSI/UL Standard 681-2014 (Standard for Installation and Classification of Burglar and Holdup Alarm), Extent No 3; and a Video Assessment and Surveillance System (VASS).
53. A hold up alarm shall be employed near the transport area, lobby, employee entrance and safe(s).
54. Burglar alarms shall cause the dispatch of a properly licensed private patrol.
55. Hold up alarms shall cause the dispatch of the Woodland Police Department.
56. The Security system shall be equipped with at least 24 hours of continued operation time in case of power failure.
57. The Security system shall be equipped with cellular backup in case of phone line disruption.
58. The facility shall be staffed at all times that the security system is not fully functional.
59. A log shall be maintained that shows when the alarm system was armed and disarmed, and by whom.
60. VASS storage shall be kept off-site or in a secured area accessible only to management.
61. VASS shall be capable of no less than 30-days worth of activity and shall provide comprehensive coverage of: safe, areas of ingress and egress, parking lot, loading areas, areas not clearly visible from public streets, and coverage of all exterior areas of the building.
62. Monitors displaying the employee parking area shall be mounted in a visible location near the door from which employees will arrive and depart so that employees may monitor the outside environment prior to departing the facility.
63. The applicant is responsible for reasonably controlling the conduct of persons of the site and shall immediately disperse loiterers.
64. Applicant shall install a "Knox Box" for police access of the exterior areas of the property after hours.



City of Woodland

Community Development Department

300 First St, Woodland CA 95695
(530) 661-5820 Fax (530) 406-0832
www.cityofwoodland.org

General Application Form

1. Owner/Applicant

PROPERTY OWNER:

Ethan Conrad Properties

MAILING ADDRESS:

1300 National Drive, Suite 100

CITY STATE ZIP CODE:

Sacramento, CA 95834

PHONE NUMBER:

916-779-1000

E-MAIL ADDRESS:

ethan@ethanconradprop.com

PROJECT APPLICANT

Pro Terp Manufacturing, LLC

MAILING ADDRESS:

1230 Harter Ave Suite F

CITY STATE ZIP CODE:

Woodland, CA 95776

PHONE NUMBER:

916-718-0793

E-MAIL ADDRESS:

proterpmanufacturing@gmail.com

2. Application Requested

- | | | |
|--|--|---|
| ☐ General Plan Petition | ☐ Zoning Amendment | ☐ General Plan Amendment |
| ☐ Tentative Subdivision Map | ☐ Tentative Parcel Map | ☐ Lot Line Adjustment |
| ☐ Site Plan Review | ☐ Design Review | ☐ Sign Design Review |
| ☐ Conditional Use Permit (CUP) | ☐ Zoning Administrator Permit | ☐ Variance |
| ☐ Public Convenience or Necessity | ☒ Other <u>Commercial Cannabis CUP</u> | |

Is this request part of another application? ☐ Yes ☒ No If so, what? _____

3. Project Description

Project Name:

Pro Terp Manufacturing

Total Acres or Square Feet

10,055 sqft

Site address or location:

1230 Harter Ave Ste F Woodland CA

Assessor's Parcel Number:

95776
027-420-023-000

Is Your Project Located in a Flood Zone?

☐ Yes

☒ No

Does this request include signage?

☐ Yes

☐ No

4. Justification for Request



On a separate sheet, explain in detail your request and why you believe your request is justified.

5. General Plan Amendment

Existing General Plan Designation	Gross Acres	Proposed General Plan Designation	Gross Acres
_____	_____	_____	_____

6. Zoning Amendment

Existing Land Use Zone	Gross Acres	Proposed Land Use Zone	Gross Acres
_____	_____	_____	_____

7. Residential Development

No. of residential units are being requested? _____ No. of lots will be created by this project? _____

Single Family _____ Half-plex _____ Do you intend to market the units for sale? ☐ YES ☐ No

Duplex _____ Apartments _____ Do you intend to market the units for rent? ☐ YES ☐ No

Condominiums _____ Other _____

Townhomes _____ Total Units _____

8. Commercial/Industrial Development

Indicate the type of commercial/industrial development proposed:

Indicate the gross and leasable square footage for each type of development:

Commercial Cannabis Type 7 Manufacturing 10,055 sqft

9. Authority to File Application

Check one:

☐ Property Ownership ☐ Power of Attorney*

☐ Contract to Purchase* ☒ Other

Specify Letter of Agency

*Attach Evidence of Authority

I hereby certify that the above information and accompanying documents are true and accurate to the best of my knowledge and acknowledge that the processing of this application may require additional fees and expenses for the preparation of necessary environmental documentation and planning studies. I certify that I have reviewed the current Hazardous Waste and Substances Site List, developed pursuant to AB 3750, and found that my project is not on the list.

APPLICATION WILL NOT BE ACCEPTED WITHOUT SIGNATURE OF LEGAL OWNER OR OFFICIAL AGENT

(Nuriya Safarova) 3/5/2018
Applicant: _____ Date: 3/16/18
Legal Owner: _____ Date: _____
Legal Owner: _____ Date: _____

DEPARTMENT USE ONLY

Amount Paid: _____	Project No: _____
Amount Due: _____	Logged by: _____ Date: _____
GP / Zoning Designation: _____	Planner: _____ Date: _____



Applicant Narrative/ Justification (Updated 6/12/2018)

Preamble. ProTerp Manufacturing, LLC (hereinafter referred to as “Applicant”) is pleased to present our Commercial Cannabis Application Package to the City of Woodland’s Community Development Department for one Type 7 Medical and Adult Volatile Commercial Cannabis Manufacturing. A Type 7 state license will be requested in the Cannabis Business Permit.

Applicant recognized the need for strict adherence to legal guidelines and requirements as outlined by the City of Woodland, the State of California as well as other relevant stakeholders. Our team of qualified professionals looks forward to working with all necessary agencies and authorities having jurisdiction to ensure compliance with all requirements. We believe that we are offering a comprehensive solution that can help satisfy the growing demand for cannabis in a safe and clean manner, while being a good member to the community and contributing in a significant way to the local economy.

Summary of Proposed Location. Applicant is proposing their project to be located at 1230 Harter Avenue in the City of Woodland in suite F within the proposed building. Property is zoned as M1 in the City of Woodland with an immediate access to I-5 freeway. The building has 120/208 and 277/480 Volts with a 3-phase power and natural gas service available. The boundaries of the property are greater than 600 feet from any K-12 school, commercial daycare center and youth center, and are greater than 600 feet of any residences of libraries on a neighboring property.

The existing facility needs only minor modifications. The facility currently has commercial glass doors that were previously installed in place of a roll-up door. Applicant will be installing a roll-up door for secure intake and output, installing an exhaust and filtration system for the manufacturing room, building cool storage area and secured solvents storage area and a security system. Applicant is having a C1D1 explosion proof container engineered and installed in the facility. The facility will be fully compliant with the Local and State requirements.

Project Size. The project itself occupies 8,600 sqft of warehouse space and 1,455 sqft of office space as a portion of a 42,241 total sqft of an industrial/manufacturing building. Warehouse clear height is 19’.



Facility Advantages. The following are advantages of the facility at 1230 Harter Ave, Suite F:

- Located in a concealed location that is not immediately visible
- Warehouse space with sufficient power
- Sufficient space for secure intake/output area
- Facility comes with fire sprinklers
- Full ADA Compliance with no additional modification requirements
- Facility will not impact the peace, order, or welfare of the local community

Additional Advantages.

Applicant ensured that surrounding neighborhood businesses are aware of applicant's intentions of establishing a cannabis manufacturing business. Those business owners and employees are exceptionally welcoming and thrilled to collaborate to create positive vibes and relationships amongst the neighbors.

Volatile Manufacturing Extraction Lab. Applicant is acquiring a class 1 division 1 (C1D1) extraction lab "FlexLab". This C1D1 explosion proof container design includes a 3-phase safety process:

Phase 1: Fresh air flows into the Lab from the make-up air unit and is pulled out by the 800 CFM fan to maintain constant airflow to prevent gas build-up.

Phase 2: If a higher level of gas is detected, the gas detection system will initiate the opening of a vent and the 5000 CFM fan will forcefully flush out all contaminated air.

Phase 3: If gas levels continue to rise, the system will activate an audible alarm that also shuts down the electrical outlets inside.

- All interior light fixtures, electrical outlets, and switches are spark-proof and meet Class 1 Division 1 hazardous area requirements.
- The spark-proof exhaust fans, in conjunction with the temperature controlled makeup air unit, use 100% outside fresh air to provide the required air flow rate over your equipment. The system provides a slightly negative pressure within the lab to prevent hazardous gasses from leaking into surrounding areas. If there is no need for temperature control in your location, the makeup air unit can be replaced with a pleated filtration intake for a nice cost reduction.
- The module is equipped with a gas detection alarm system that will initiate when hazardous gas begins to be detected. If the gas levels continue to rise, the system will activate an audible alarm and shut down power to the equipment inside the room well before dangerous levels are reached.
- The weatherproof main electrical distribution panel is located on the exterior of the module, outside of the hazardous area and out of the way. The entry door is of steel construction and equipped with an automatic closer, a panic exit device, a safety window, and weather seals. The optional sink is of quality stainless steel construction and equipped with a gooseneck faucet to accommodate large canisters or vessels.

- The module can be mounted on a wheeled chassis (for ease of relocation), directly on a shop floor or foundation (inside a building or as a stand-alone building).

Addressing Negative Effects on the Community. Applicant recognizes City's concerns surrounding commercial cannabis businesses. Pursuant to both City of Woodland ordinance, California State's regulations and reasonable good neighbor policies, our manufacturing operation will include the following:

Security. Our manufacturing facility will employ a comprehensive security plan mandated by ordinance which includes security patrols, use of security cameras, and strategic placement of lighting that will deter crime in the area. **Please see Security Plan.**

Odor Control. Our manufacturing facility will have a comprehensive odor control system which will make odors typically associated with cannabis manufacturing undetectable. **Please see Odor Control Plan.**

Cross Contamination. Our manufacturing operation is subject to strict guidelines under local and State's regulations. It requires us to establish and implement written manufacturing operation procedures to ensure that all of our product manufacturing is conducted properly. Our operations shall be conducted under conditions and controls that are necessary to eliminate contamination that could potentially affect our product and other surrounding businesses' production.

Community Benefits. A critical component to our operating model is deeply rooted in good stewardship to our community and the populations we serve. Applicant intends to engage in a responsibility agreement with the City of Woodland to remit \$48,280 annually to City of Woodland, for the purpose of mitigating any adverse impacts the facility might have on our neighborhood. Second, a well-run manufacturing business does much more for a dispensary and its patients and customers than merely providing access to cannabis. Our vision includes fostering a sense of community among our neighbors to build stronger, healthier populations. Our organization is committed to creating a community-based entity to support the needs of dispensaries, their customers and patients, and improve our community by creating more jobs for residents.

Applicant believes that this facility is a great choice for this type of business and will enhance the local neighborhood, providing added security, economic viability, and responsible partnerships.

Distribution and Transport. Distribution and shipping shall be performed by a licensed distributor for inbound and outbound transportation. Applicant is currently working with establishing a relationship with Gold Mountain Distribution (West Sacramento). Inbound transportation shall include any biomass material to be manufactured as well as bulk material from other manufacturers for white labeling purposes. Inbound transportation of tested flower shall also be included for packaging purposes. Outbound transportation shall include any bulk material to be transported to other manufacturers for packaging and/or infusion purposes, finished and packaged batch products shall be transported to a testing laboratory for testing purposes. Distribution shall also include transportation of tested, finished manufactured products to be distributed to licensed retailers.



Statement of Proposed Use

Manufacturing as defined in the Woodland Municipal Code as the compounding, blending, extracting, infusing, or otherwise making or preparing a cannabis product.

Number of People Involved.

Owners: ProTerp Manufacturing (“ProTerp”) has total of 2 owner/members. Detailed biographies and qualifications of each individual is described in “**Business Plan**”. Each member of ProTerp is dedicating 100% of their skills to proposed project in order to become fully compliant, prosperous and bring in community benefits to City of Woodland and its surrounding areas. Both owners have extensive knowledge in the corporate business environment as well as the commercial cannabis industry. Both owners have great knowledge of the extraction processes through consulting various lab technicians across the country, getting familiarized with procedures of the manufacturing facility and shadowing colleagues that are involved in the volatile manufacturing processes that have established and licensed facilities. Upon arrival of the equipment ProTerp and its team shall undergo a mandatory training program that is offered by the company that is currently being engineered for ProTerp.

Employees: ProTerp is in the process of interviewing and finalizing hire packets for local residents and qualified individuals to become part of ProTerp’s team. ProTerp developed a “**Staffing Plan**” (see additional information) and will initiate employees according to the proposed plan. By October 1st, 2018 ProTerp plans on initiating a CEO and CCO positions that are being held by each owner, an administrative assistant, an operations manager and a lab manager. As the project develops and grows, ProTerp shall initiate additional staff as described in the Staffing Plan.

Characteristics of the surrounding area: The business is located within an area surrounded by like kind of businesses that are typical of a light industrial area. Cabinet shops, distribution businesses, bakeries, and small manufacturing companies are the types of operations that are found in the general area. Given the fact that this location is near the freeway you’ll find businesses that move and distribute their products throughout all of central California and the majority of these operations are housed in buildings that are 20,000 sq ft or less and have numerous points of entry allowing for small to medium sized trucks to load and unload. The area sees very little foot traffic and does not appear to have much retail presence. Most of the nearby businesses tend to be service providers or in the wholesale side of their respective industries. As a typical light industrial neighborhood one will see very few sidewalks, a great

deal of blacktop, and lots of parking areas for workers. Much of the parking areas have shade trees to break up the monotony of the black top and there is some vegetation that was strategically planted when most of the newer buildings were created.

Hours of Operation: The operation will not be open to the public at any time. As a manufacturing facility, the operations may require staff to be present on premises 24 hours per day. Only authorized staff and distribution personnel will be allowed to enter the premises. We will have between 4 and 8 employees on site at any given time and run up to 3 eight hour shifts per day. Shifts are scheduled so that there is parking sufficient for all employees at all times even if there is overlap in staff times.

Type of vehicular traffic and deliveries; hazardous or volatile materials or chemicals involved: Cannabis products manufactured on site will be safely and securely transported from the facility in unmarked vehicles (cargo vans) only by a licensed distributor. Outbound transport will occur only within the building itself through the secure roll up door.

This business will not conduct a large volume of inbound or outbound shipping. Our hours for receipt of delivery will be between 8 AM-12 Noon M-F. Anticipated deliveries are as follows:

- ETHYL ALCOHOL – up to a 50-gallon barrel or as allowed by the City of Woodland will be delivered as often as once per week by a cargo truck with a lift gate. No more than 50 gallons or as allowed by the City of Woodland will be on site at any given time.
- ISOPROPYL ALCOHOL – 8 gallon containers will be delivered as often as once per week accompanying the ethyl alcohol.
- PLANT MATTER – 200-1000lbs delivered 1-2 times/week via a secure cargo van or 15ft truck.
- BUTANE – up to 5 times/week delivered by a 25 ft open flatbed truck in 1-2 secure skids of up to 8 tanks holding up to 150lbs of BUTANE each or as allowed by the City of Woodland. Empty tanks are removed by the same vendor.
- PROPANE - up to 5 times/week delivered by a 25 ft open flatbed truck in 1-2 secure skids of up to 8 tanks holding up to 150lbs of PROPANE each or as allowed by the City of Woodland. Empty tanks are removed by the same vendor.
- GENERAL and OFFICE SUPPLIES – 1 time/week office supply delivery via UPS or USPS van/truck, amounts will be commensurate with the usual office supply deliveries for a business.

General and outdoor activities: No cultivation, production, distribution, storage, display, or wholesale of cannabis products shall be visible from the exterior of the building where the Commercial Cannabis activity is being conducted. There will be no outdoor activities outside of the premises.

Odors, noise, dust or glare: Odors shall be contained on the property on which the Cannabis activity is located, no dust or glare will be involved with the Commercial Cannabis activity. Existing requirements applicable to the manufacturing of food and drug products (US Food and Drug Administration [USFDA] regulations, 21 Code of Federal Regulations [C.F.R.] Part 111 and Part 117) are not applicable to cannabis products. However, because many cannabis products

are intended to be consumed, the need to ensure the safety and integrity of the manufacturing process is still present. Using its experience with oversight of food and drug manufacturing, our Commercial Cannabis activities are subject to regulations to include substantively similar requirements to ensure sanitary manufacturing practices. Such practices will eliminate odors, and dust. ProTerp does not anticipate any noise or glare that shall be visible and detectible outside of the premises.

PROTERP MANUFACTURING LLC.

TENANT IMPROVEMENT CONDITIONAL USE PERMIT DRAWINGS

PROJECT ADDRESS:

1230 HARTER AVE., SUITE F

WOODLAND, CA 95776

APN # 027-420-030-000

SHEET INDEX

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A1.2	CONTEXT PHOTOS
A1.3	CONTEXT PHOTOS
A1.4	LANDSCAPE PLAN
A2.1	DEMOLITION PLAN
A3.1	PROPOSED FLOOR PLAN
A3.2	EXISTING ROOF PLAN
A3.3	EXTERIOR ELEVATIONS
A4.1	LIGHTING PLAN AND PHOTOMETRIC STUDY

ABBREVIATIONS:

@	AT	(N)	NEW
¢	CENTER LINE	NTS	NOT TO SCALE
∅	DIAMETER OR ROUND	O/C	ON CENTER
#	POUND OR NUMBER	PL	PLATE
BLKG	BLOCKING	ℙ	PROPERTY LINE
CONC	CONCRETE	PT	PRESSURE TREATED
CP	CARPET	R	RISER
DF	DOUGLAS FIR	RAD	RADIUS
DN	DOWN	REF	REFRIGERATOR
DS	DOWNSPOUT	S&P	SHELF AND POLE
DW	DISHWASHER	SEL.STR.	SELECT STRUCTURAL
DWG	DRAWING	SF	SQUARE FEET
(E)	EXISTING	SIM	SIMILAR
EA	EACH	SQ	SQUARE
EF	EXHAUST FAN	T&G	TONGUE AND GROOVE
EN	EDGE NAIL	TBD	TO BE DETERMINED
EQ	EQUAL	TV	TELEVISION
FLUOR	FLUORESCENT	TYP	TYPICAL
FT	FOOT OR FEET	UNO	UNLESS NOTED OTHERWISE
GA	GAUGE	W/	WITH
GALV	GALVANIZED	WD	WOOD
GFI	GROUND FAULT NTERRUPT	W/D	WASHER/DRYER
GWB	GYPSUM WALL BOARD	W/O	WITHOUT
HB	HOSE BIBB	WP	WATERPROOF
HD	HOLDOWN		
HT	HEIGHT		
MAX	MAXIMUM		
MFR	MANUFACTURER		
MIN	MINIMUM		



300' RADIUS MAP
SCALE: NOT TO SCALE
NORTH

PROTERP
MANUFACTURING
LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
COVER SHEET

PAGE: CS.1

PROJECT INFORMATION

BUILDING INFORMATION

NUMBER OF STORIES:	1-STORY
EXISTING BUILDING AREA:	9,801 sqft
OCCUPANCY (BUILDING):	B, F-1, S-1
FIRE SPRINKLERS:	YES
BUILDING DIMENSIONS:	99' x 99'

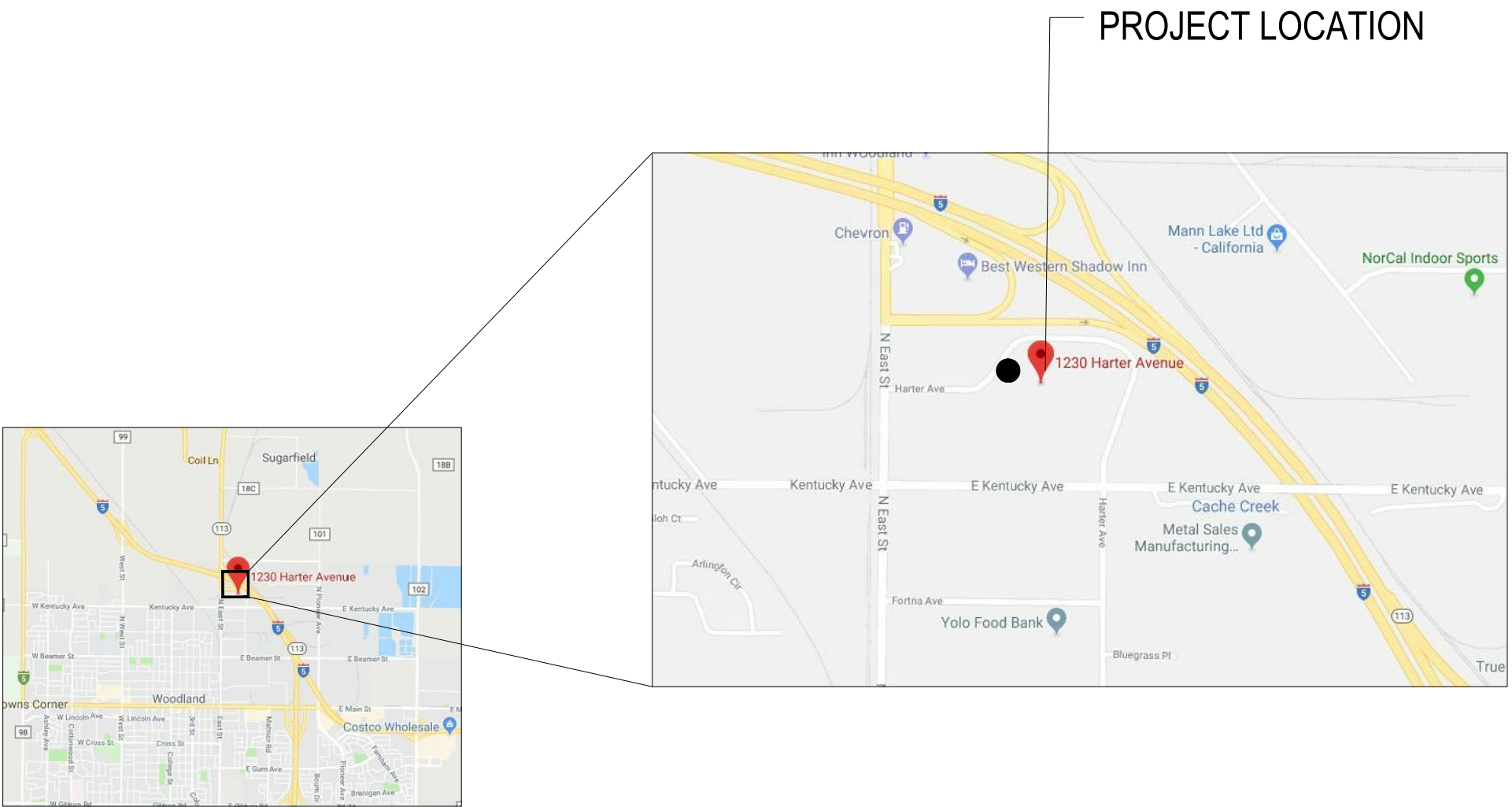
SITE INFORMATION

ZONING:	C-H HIGHWAY COMMERCIAL ZONE
GENERAL PLAN DESIGNATION:	EMPLOYMENT CENTER (LOW-RISE)
LOT AREA:	3.65 ACRES

APPLICABLE CODES

2016 BUILDING STANDARDS ADMINISTRATIVE CODE, PART 1, TITLE 24 C.C.R.
2016 CALIFORNIA BUILDING CODE (CBC), PART 2, TITLE 24 C.C.R.
2016 CALIFORNIA ELECTRICAL CODE (CEC), PART 3, TITLE 24 C.C.R.
2016 CALIFORNIA MECHANICAL CODE (CPC), PART 5, TITLE 24 C.C.R.
2016 CALIFORNIA ENERGY CODE (CEC), PART 6, TITLE 24 C.C.R.
2016 CALIFORNIA FIRE CODE, PART 9, TITLE 24 C.C.R.
2016 CALIFORNIA GREEN BUILDING STANDARDS CODE (CAL GREEN), PART 11, TITLE 24 C.C.R.

VICINITY MAP



PROJECT TEAM

OWNER

PROTERP MANUFACTURING LLC.
ETHAN CONRAD PROPERTIES

CONTACT: NURIYA SAFAROVA, PARTNER
TAX GEAR, LLC
1700 EUREKA ROAD
SUITE 155
ROSEVILLE, CA 95661
C: 916-718-0793

ARCHITECT

STACEY HALL
7500 COLBERT DRIVE
RANCHO MURIETA CA 95683
PH: 510-220-1193
EMAIL: SBOWEN505@YAHOO.COM

DATE:

MAY 15, 2018

CUP
SUBMITTAL
DRAWINGS



ZONING MAP LEGEND				
REF #	ADDRESS #	PARCEL #	BUSINESS TYPE	ZONE
1	1250 HARTER AVE., SUITE D	027-420-031	BAKING COMPANY	
2	1250 HARTER AVE., SUITE F	027-420-031	NORTH COAST ENERGY SERVICES	
3	1250 HARTER AVE., SUITE C	027-420-031	SINA BAKERY	
4	460 HARTER AVE., SUITE B	027-420-032	WOODLAND DRAPER MANUFACTURING	LIGHT INDUSTRIAL
5	460 HARTER AVE., SUITE A	027-420-032	CONTINENTAL DRILLING TOOLS AND SUPPLY	
6	1249 E. KENTUCKY AVE.	027-420-004	VALLEY HYDRAULICS & MACHINE	
7	1225 KENTUCKY AVE.	027-420-025	QUALITY SUPPLY AUTO, TRUCK & TRAILER	
8	1207 E. KENTUCKY AVE.	027-420-003	WILKINSON INTERNATIONAL INC.	
9	1207 E. KENTUCKY AVE.	027-420-002	WILKINSON INTERNATIONAL INC.	
10	1226 HARTER AVE.	027-420-010	A-1 APPLIANCE	
11	1222 HARTER AVE.	027-420-010	APC PROPELLERS	
12	1214 HARTER AVE.	027-420-010	WOODLAND WINDUSTRIAL	
13	1230 HARTER AVE., SUITE E	027-420-030	LILLARD MANUFACTURING INC.	
14	1230 HARTER AVE., SUITE A	027-420-030	PLATT ELECTRIC SUPPLY	
15	1230 HARTER AVE., SUITE J	027-420-030	INTERMOUNTAIN DRILLING SUPPLY	
16	1230 HARTER AVE., SUITE F	027-420-030	VACANT	

PROTERP
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LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
NEIGHBORHOOD
CONTEXT MAP

PAGE: CS.2

DATE:
MAY 15, 2018

CUP
SUBMITTAL
DRAWINGS

**PROTERP
MANUFACTURING
LCC.**

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
SITE PLAN

PAGE: **A1.1**

DATE:

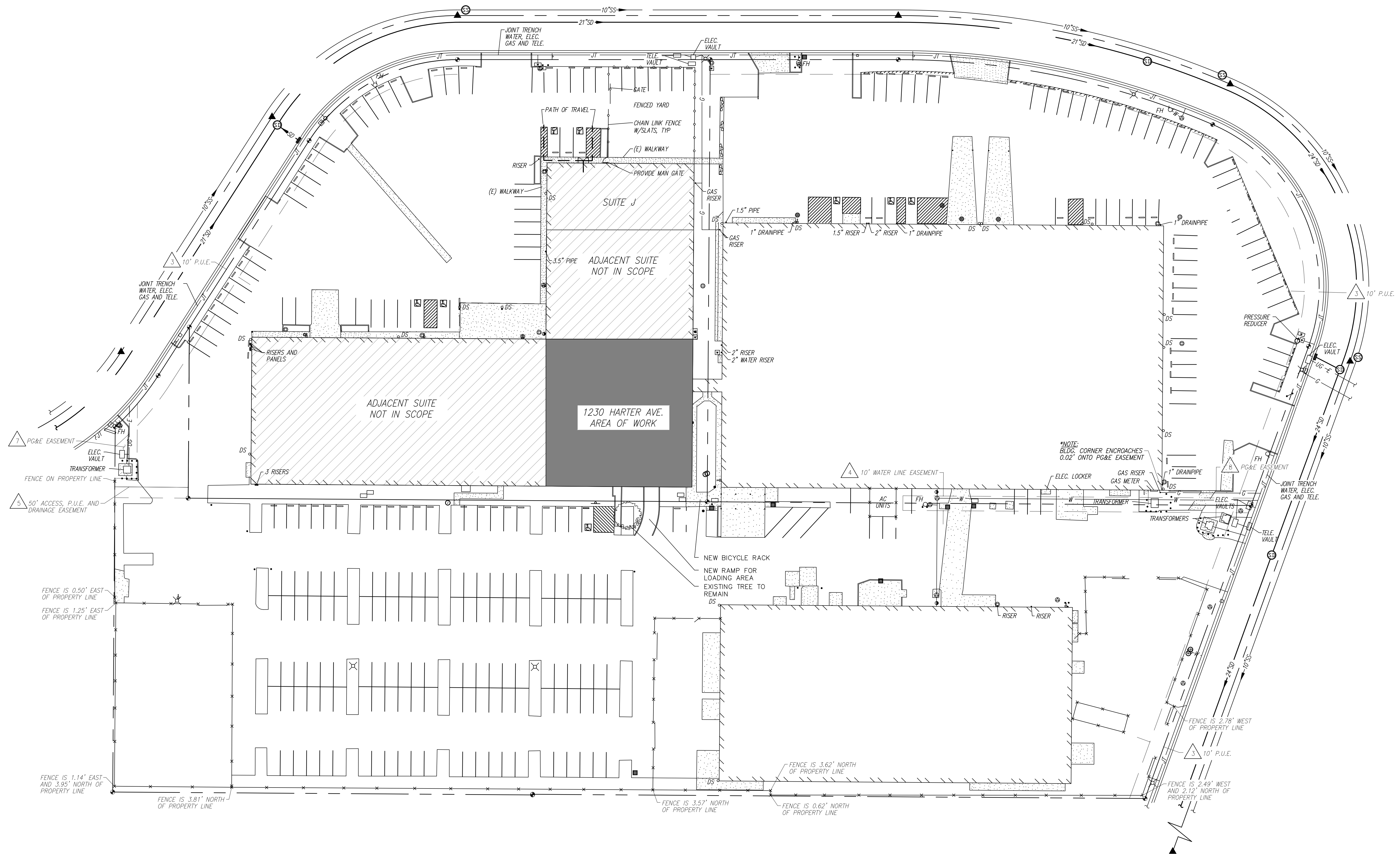
MAY 15, 2018

SCALE:

1"= 20'-0"

0' 1' 5' 10' 20' 30' 40' 60'

CUP
SUBMITTAL
DRAWINGS



**PROTERP
MANUFACTURING
LCC.**

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
CONTEXT PHOTOS

PAGE: **A1.2**

DATE:
MAY 15, 2018

CUP
SUBMITTAL
DRAWINGS



PHOTO 1



PHOTO 2



PHOTO 3



PHOTO 4



 **PHOTO KEY MAP - BUILDING**
SCALE: NOT TO SCALE



PHOTO 5



PHOTO 1

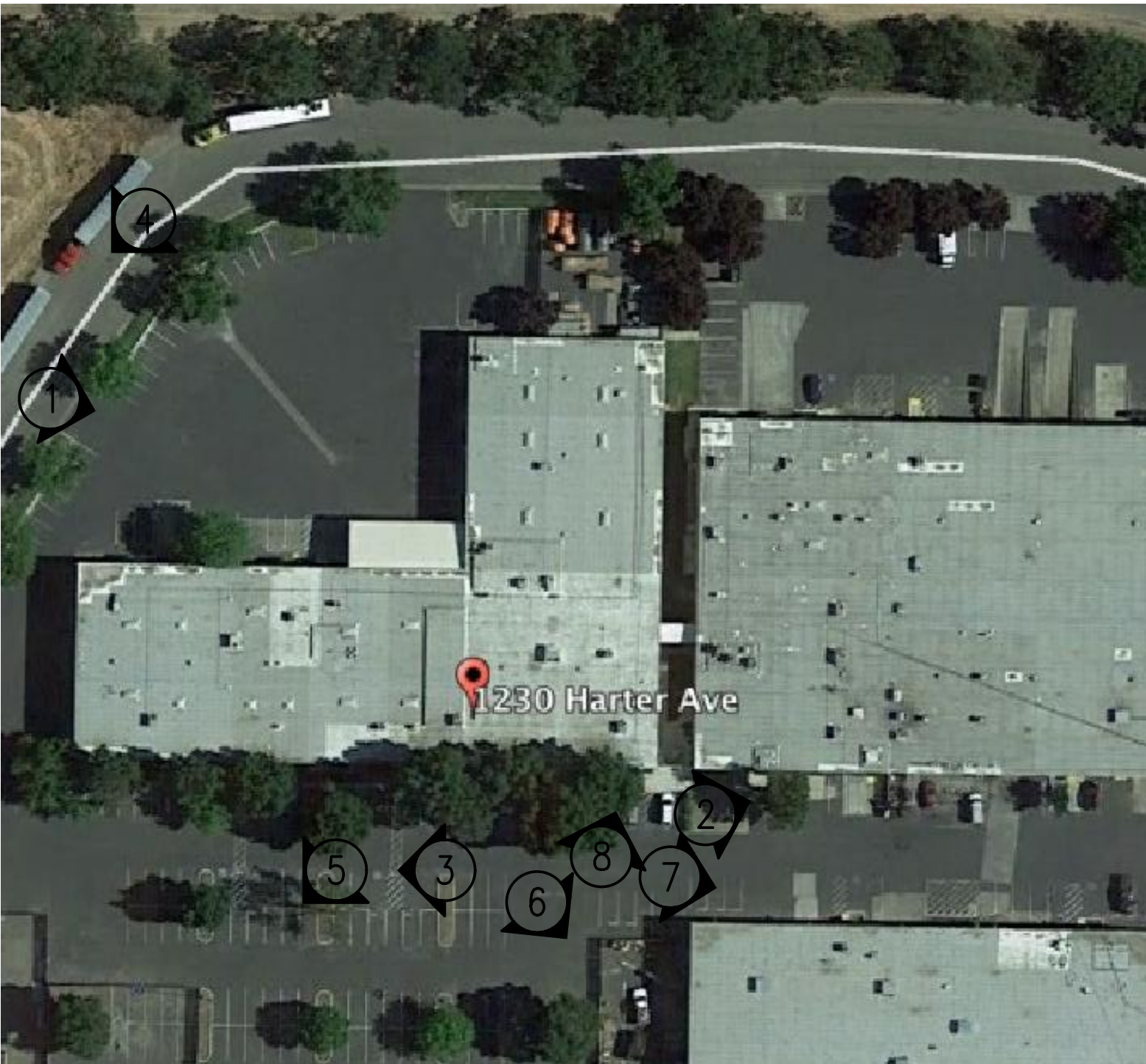


PHOTO KEY MAP - SITE
SCALE: N.T.S.



PHOTO 2



PHOTO 3



PHOTO 4



PHOTO 5



PHOTO 6



PHOTO 7



PHOTO 8

**PROTERP
MANUFACTURING
LCC.**

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
CONTEXT PHOTOS

PAGE: **A1.3**

DATE:
MAY 15, 2018

CUP
SUBMITTAL
DRAWINGS

**PROTERP
MANUFACTURING
LCC.**

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
LANDSCAPE PLAN

PAGE: **A1.4**

DATE:

MAY 15, 2018

CUP
SUBMITTAL
DRAWINGS



LANDSCAPE PLAN

SCALE: N.T.S.



TYPICAL TREES AT FRONT OF BUILDING



TYPICAL TREES AT FRONT OF BUILDING



TYPICAL TREES IN PARKING LOT

WALL LEGEND

- EXISTING WALLS TO REMAIN
- EXISTING WALLS TO BE DEMOLISHED
- NEW WALLS
- F.O. STUD DIMENSION
- F.O. FINISH

PROTERP
MANUFACTURING
LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
DEMOLITION FLOOR
PLAN

PAGE: A2.1

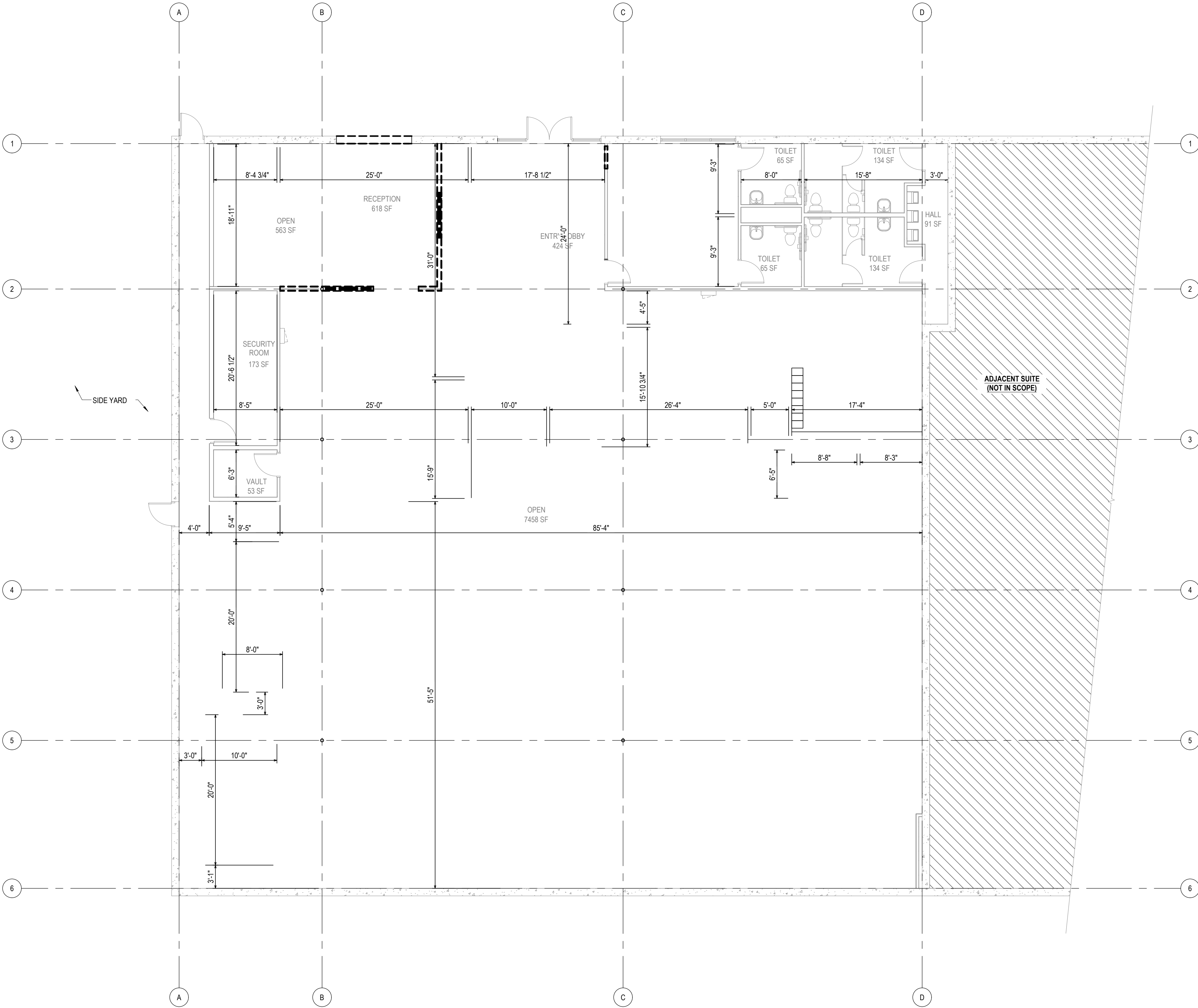
DATE:

MAY 15, 2018

SCALE:

3/16" = 1'-0"
0 1' 2' 4' 8' 16'

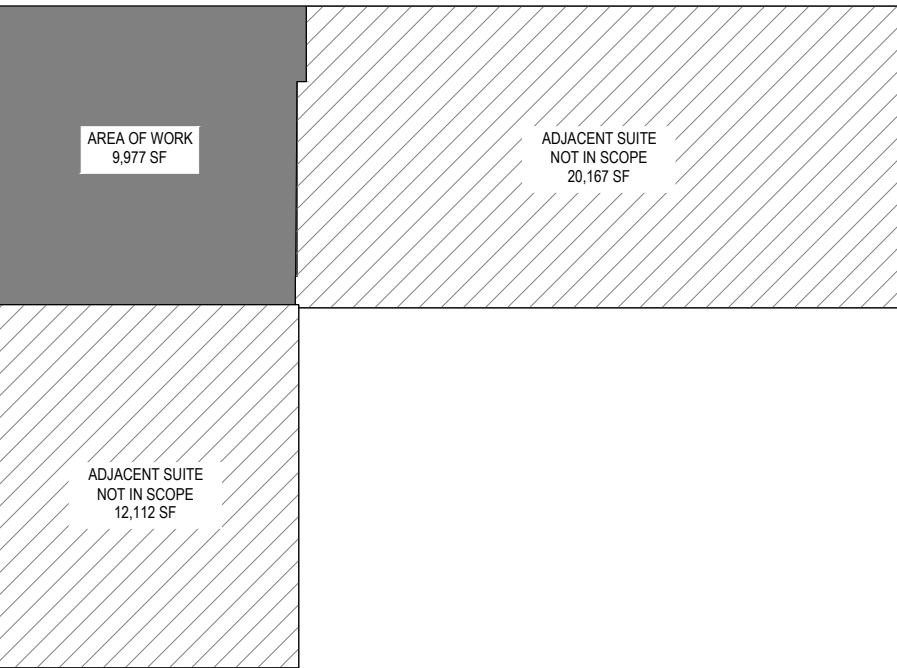
CUP
SUBMITTAL
DRAWINGS



WALL LEGEND

- EXISTING WALLS TO REMAIN
- EXISTING WALLS TO BE DEMOLISHED
- NEW WALLS
- F.O. STUD DIMENSION
- F.O. FINISH

AREA DIAGRAM



PROTERP
MANUFACTURING
LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
PROPOSED FLOOR
PLAN

PAGE: A3.1

DATE:
MAY 15, 2018

SCALE:
3/16" = 1'-0"
0 1' 2' 4' 8' 16'

CUP
SUBMITTAL
DRAWINGS



**PROTERP
MANUFACTURING
LCC.**

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
ROOF PLAN

PAGE: **A3.2**

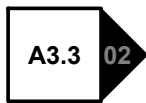
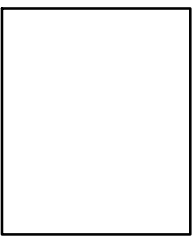
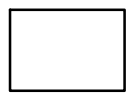
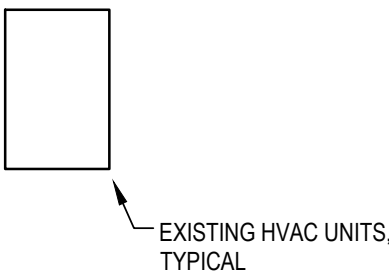
DATE:

MAY 15, 2018

SCALE:

$\frac{3}{16}" = 1'-0"$
0 1' 2' 4' 8' 16'

CUP
SUBMITTAL
DRAWINGS



1
A3.2

EXISTING ROOF PLAN

SCALE: $\frac{1}{8}" = 1'-0"$

**PROTERP
MANUFACTURING
LCC.**

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

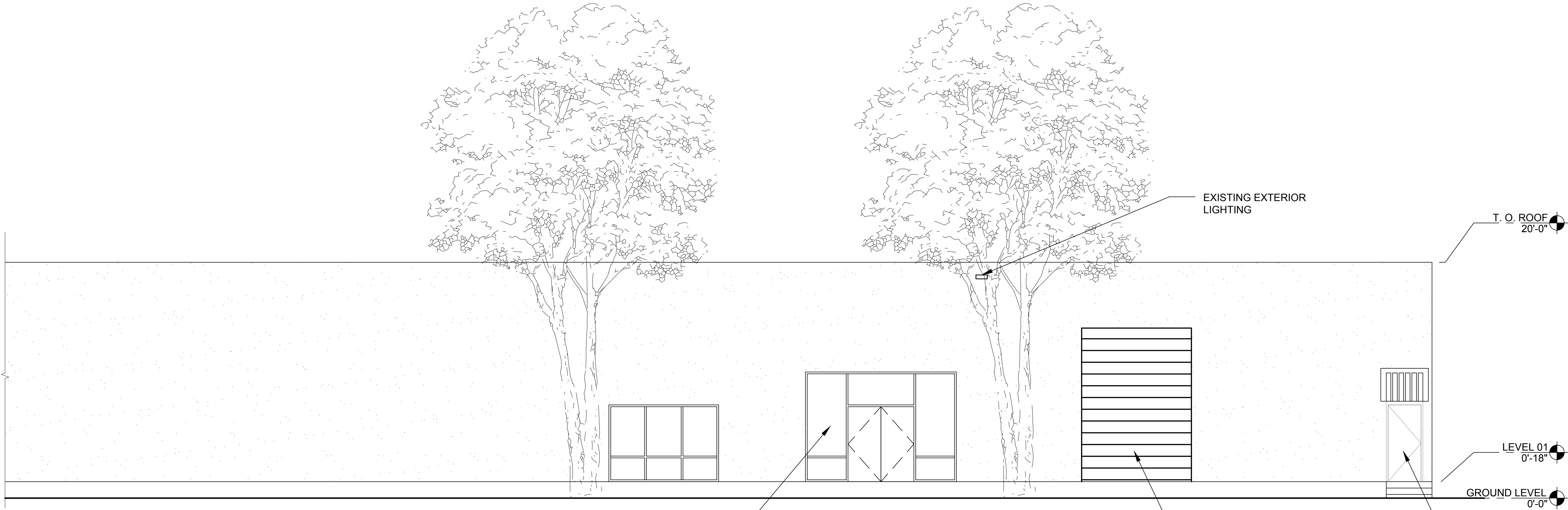
DRAWING:
EXTERIOR
ELEVATIONS

PAGE: **A3.3**

DATE:
MAY 15, 2018

SCALE:
 $\frac{1"}{8} = 1'-0"$
0' 1' 2' 4' 8' 12' 16' 24'

CUP
SUBMITTAL
DRAWINGS

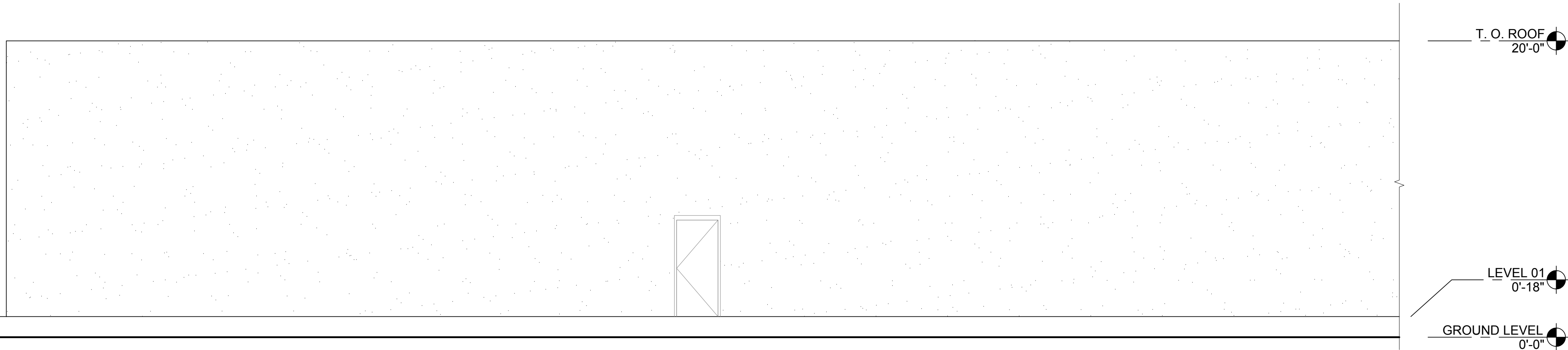


1 SOUTH ELEVATION

A3.3 SCALE: 1/16" = 1'-0"

SIGNAGE :
EACH SIGN MUST BE 8 INCHES BY 10 INCHES IN SIZE AND DISPLAYED AT ALL TIMES IN A CONSPICUOUS PLACE SO IT IS SEEN BY PERSONS ENTERING THE BUSINESS

- REQUIRED SIGNS:
- 1) "THIS SITE IS NOT OPEN TO THE PUBLIC"
 - 2) "ONSITE RETAIL SALES OF ANY GOODS AND SERVICES IS PROHIBITED"
 - 3) "JUVENILES ARE PROHIBITED FROM ENTERING THIS SITE"
 - 4) "SMOKING, INGESTING, OR CONSUMING CANNABIS ON SITE IS PROHIBITED"



2 EAST ELEVATION

A3.3 SCALE: 1/16" = 1'-0"



SUITE J

Luminaire Locations								
Location								
No.	Label	X	Y	Z	MH	Orientation	Tilt	
17	A	1752.20	1742.10	18.50	18.50	90.00	0.00	
18	A	1751.60	1684.20	18.50	18.50	90.00	0.00	
19	A	1734.20	1665.20	18.50	18.50	180.00	0.00	
20	A	1659.80	1665.70	18.50	18.50	180.00	0.00	

Statistics						
Description	Symbol	Avg	Max	Min	Max/Min	Avg/Min
Calc Zone #2	+	1.7 fc	2.8 fc	0.4 fc	7.0:1	4.3:1

Schedule											
Symbol	Quantity	Manufacturer	Catalog Number	Lamp	Number Lamps	Filename	Lumens Per Lamp	Light Loss Factor	Wattage	Description	Label
□	4	HUBBELL OUTDOOR	TRP2-24L-50-4K7-3	C-70-CRI	1	TRP2-24L-50-4K7-3.IES	5816	0.9	48.6	GeoPak Size 2	A



Business Plan

• MISSION STATEMENT

To widely provide the highest quality medicinal and recreational cannabis for the palliative treatment of Post-Traumatic Stress, pain, cancer patients and others in great need for such product.

To aid and eliminate illegal, problematic grow houses and the nuisances surrounding them. Those nuisances include, but are not limited to, increased opportunity for crimes against property and persons at unsecured locations, obnoxious odors, fire hazards and the like. These individuals hope to profit by selling cannabis on the black market, avoiding regulated and compliant dispensary operations which pay taxes and benefit the community at large. Our business aids in eliminating this behavior by providing legally grown and manufactured cannabis to dispensaries in the surrounding areas of Woodland.

To provide employment opportunities for local residents, will pay taxes in accordance with county and state requirements, which in turn will benefit our county at large, including our neighborhood.

• QUALIFICATION OF PRINCIPLES

ProTerp Manufacturing, LLC is owned and managed by individuals with many years of experience in successfully starting and running businesses. Our team is highly familiar with best practices in regulatory compliance, community relations as well as all functions required for successfully managing day-to-day operations of the company. Our team will meet or exceed all criteria set forth by the City of Woodland and the State of California.

Nuriya Safarova is a Member of ProTerp Manufacturing, LLC and holds the position of Chief Compliance Officer. Nuriya came to United States with her family from Russia 14 years ago. She had limited knowledge of the language so she began to learn English as quickly as possible by watching her favorite show “Full House”. At the age of 16, Nuriya graduated high school and moved out on her own to Sacramento to work and get formal education from American River

College and UC Davis. While completing her education, Nuriya had begun her journey in the cannabis industry as a cultivator, establishing a prosperous cultivation business in 2011.

As the rules and regulations began to change, Nuriya had steered her career into the legal field while getting the formal education. She became a paralegal for a law firm that provided assistance in general business compliance, financial reorganization, Real Estate acquisitions, tax preparation and resolution services.

As she progressed in the legal world, Nuriya took the risk, postponed her formal education and established a private patrol security business and began to focus on her entrepreneurial skills. With the combined knowledge that she has acquired over the years, Nuriya became highly knowledgeable in how to properly establish and run a business from ground up.

Upon the sale of the security business four years ago, Nuriya established her own tax preparation firm, which progressed into a cannabis tax and business compliance consulting firm a year later. Currently, Ms. Safarova consults numerous commercial cannabis businesses to ensure they are compliant pursuant to local and the State requirements. Nuriya is highly knowledgeable in how to establish a successful, beneficial to the community commercial cannabis business that is also compliant with all of taxing and OSHA agencies, labor laws and other requirements that general businesses are subject to.

Through running the compliance firm, Nuriya had also become knowledgeable in commercial cannabis manufacturing businesses. She had prepared numerous Conditional Use Permits, Business Operating Permits and Development Agreements while consulting and learning from the best extractors, engineers and attorneys throughout California. Such experience gave her a deeper business perspective as well as internal operations of the manufacturing business.

Ron Mellon is a Member of ProTerp Manufacturing, LLC and holds the position of Chief Executive Officer. As a seasoned real estate development and housing marketing executive, Ron Mellon has over 30-years of expertise as a leader and financial high-performer in real estate and housing development sales management, marketing, product development, financial management, project fundraising, and real estate analysis.

Ron has built and led national housing development projects and national programs focused on neighborhood revitalization, and his expertise spans single family custom homes and large multi-family infill, most recently expanding into commercial in-fill development connected to green-zone, permitted cannabis project development in the Western United States.

As Managing Director for Nehemiah Corporation, Ron rebuilt communities across the country, rehabilitating and re-selling over 800 homes and raising mortgage free donations for 26 worthy veterans. And currently Ron serves as the head of the Northern California Division of Pilot Real Estate Group, who specializes in real estate investments, debt, and equity financing.

Ron's previous experience includes:

- President of Invision Group. Lead developer of Township Nine. One of the largest urban infill developments in the country.
- President/ CEO. Invision Sales and Marketing. Developed and grew the Nehemiah Program from concept to over 12,000 transactions per month. Helped over 300,000 families purchase a home.

- Vice President Sales and Marketing - Lexington Homes. Involved in the development of master planned communities throughout the region. Laguna West, Natoma Station, Lexington Hills etc.
- Entrepreneur. Owned operated trucking company, television network, custom home construction.
- Real Estate broker over 30 years
- Community involvement. President of the BIA sales and marketing council, board President Sacramento Waldorf School, Board Sac Theatre Company.

- **BUSINESS OBJECTIVES**

The company's principal objective is to manufacture the highest quality cannabis concentrates for distribution to licensed medical and recreational cannabis dispensaries throughout California. The company will focus its initial outreach on bringing to market the analgesic and mollifying effects of ProTerp, cannabis, and concurrently further establish its brand as among the highest quality products available. It will grow a select few strains with established medical efficacy and expand its service to medical patients and recreational customers. These objectives contemplate expansion of operations by procuring additional manufacturing sites, inside and outside of City of Woodland, with an eye toward maximum allowable manufacturing under State of California statutes and the associated regulatory environments.

- **OPERATING PROCEDURES**

All proposed activities to be conducted on the property. In full compliance with state and local regulations, we propose to develop a 10,055 sqft suite at the street address of 1230 Harter Avenue, Suite F Woodland, CA 95776 to conduct commercial cannabis activity, specifically Type 7 Manufacturing. We will be manufacturing cannabis extracts including the production, preparation, propagation and compounding of manufactured medical and recreational cannabis directly or indirectly by extraction methods, or independently by means of chemical synthesis for packaging or repackaging, which may include labeling or re-labeling.

- **EXTRACTION PROCESS EQUIPMENT**

Extraction equipment, including equipment used for winterization or other oil refining processes, that use hazardous materials (i.e. flammable/combustible liquids, Carbon Dioxide (CO₂), liquefied petroleum gases (i.e. butane) shall be listed and approved by City of Woodland Fire Department.

Liquefied Petroleum Gas (LPG) and CO₂ Extraction Equipment. ProTerp will only use a closed-loop type LPG extraction equipment.

Flammable liquid distillation or evaporati

ve process equipment. There are numerous methods to perform distillation or evaporative extraction / refinement processes. In general, electrified equipment shall be used in these processes are required to be listed for their intended use and are required to be operated within

our guidelines. Equipment such as rotary evaporators are typically listed for distillation processes. Where distillation stills or heated evaporation processes are performed, the heating source shall be listed as explosion-proof (i.e. rated for the electrically classified location) Applicant shall get an approval of the proposed process equipment must be submitted during construction permitting review.

Vacuum Ovens. Vacuum ovens shall not be used to process volatile gases (i.e. alcohol/oil mixtures, oil containing off-gassing LPG, other flammable liquids, etc) unless the vacuum oven is rated to process these vapors (typically an explosion-proof classification). ProTerp will ensure that material being introduced into the oven does not contain volatiles.

Refrigerators. Refrigerated storage or processing of flammable liquids including oil-laden with flammable liquids will only use refrigerators/freezers rated to store flammable liquids. At minimum, a “Lab-Safe” or “Flammable Safe” rated refrigerator/freezer must be used.

- **EXTRACTION ROOM CONSTRUCTION, GAS DETECTION, EXHAUST, & ELECTRICAL SYSTEMS**

Room Construction. Extraction rooms are to be located in a room dedicated to the extraction process. There shall be no other equipment within the room (i.e. refrigerators, cooking appliances, electrical panels, computers, cell phones, etc) that is not associated with the extraction process. Additionally, there will be no penetrations into the room that are not essential for the extraction process (i.e. gas lines, HVAC systems, plumbing, etc.)

Rooms are to be of continuous, noncombustible, and smooth construction, and room finish will consider Department of Health requirements for cleaning purposes. Booths constructed in compliance with flammable finish requirements of DFC Section 24 will be accepted as meeting these construction requirements. Acoustic-type drop ceilings that could conflict with large LPG extraction exhaust systems will not be permitted. Hand sinks and eye wash stations can be located in the room.

Doors to the extraction room using hazardous materials (i.e. CO₂, LPG, or flammable liquids) must swing in the direction of egress, be self-closing/latching, and be provided with panic hardware.

Post oil processing typically uses small volumes of flammable liquids and may be performed outside of a dedicated extraction room. This process can typically be performed under a bench-top chemical fume hood.

C1D1 Extraction Lab. ProTerp shall acquire a C1D1 extraction laboratory. The C1D1 Lab Wind Extraction Laboratory ensures a clean environment with built-in safety features. The facility is categorized under the Class 1 Division 1 environment hence, it adapts to a variety of working atmospheres or locations. The lab is fabricated like a wind tunnel where workstations can be set up anywhere in said facility. The C1D1 Lab was conceived for volume production since several stations can function simultaneously. The explosion-proof Flex Lab design features a three-stage safety process:

- 1) The air unit generates air that flows into the laboratory. An 800 CFM Fan maintains consistent air movement to prevent any buildup of gas.
- 2) The gas-detection system will open an exhaust or opening if high level of gas is discovered. A 5000 CFM fan gets rid of polluted air.
- 3) The system triggers an alarm and closes down all electrical outlets in the lab if the gas levels continue to increase.

All the electrical and lighting fixtures conform to the C1D1 dangerous area prerequisites. There are spark-proof exhaust fans installed compatible with the temperature-regulated makeup air device. The system contains minimal amount of negative pressure within the cannabis facility to avert toxic gasses from seeping into adjacent areas. It is possible to replace the air unit with a folded filtration system for cost-efficiency if temperature controls are not required in your location.

The main distribution panel for electricity is weather-proof. This is positioned in the module's exterior portion outside the unsafe area. C1D1 lab steel door is fitted with automatic closing and panic exit mechanisms. The entire module may be mounted on a swinging wheeled chassis on the structure or flooring for easy and unhampered movement. The C1D1 laboratory is compliant with standards of the Occupational Safety and Health Administration (OSHA), International Fire Code of 2015, National Fire Protection Association, and National Electric Code.

Suppression Systems. An LPG extraction room, booth, or hood is required to be provided with an automatic fire suppression system in accordance with City of Woodland and California State requirements. A suppression system will be in a flammable liquid extraction room, booth, or hood where vapors are released exceeding 25% of the LFL (lower flammable limit). Where the building is required to be sprinklered, the sprinkler system shall be extended to the room, booth, or hood.

Extraction Exhaust Systems. A hazardous exhaust system will be installed in accordance with the Mechanical Code for extraction processes using LPG. Exhaust systems will be built specifically to suit the needs of a location or process. The engineer of record shall design and/or specify a system to meet the minimum requirements of a hazardous exhaust system. The intent of the exhaust system provided is to be designed with capture and containment velocities across the work area.

Flammable Liquid Extraction & Post Oil Processing Exhaust Systems. Post oil processing is an oil refining or winterization process occurring after the initial extraction is completed.

These processes are grouped into two categories; distillation extractions where most of the flammable solvent is recollected OR a heated boil-off (evaporative) process where flammable liquid is evaporated to the atmosphere without recollection.

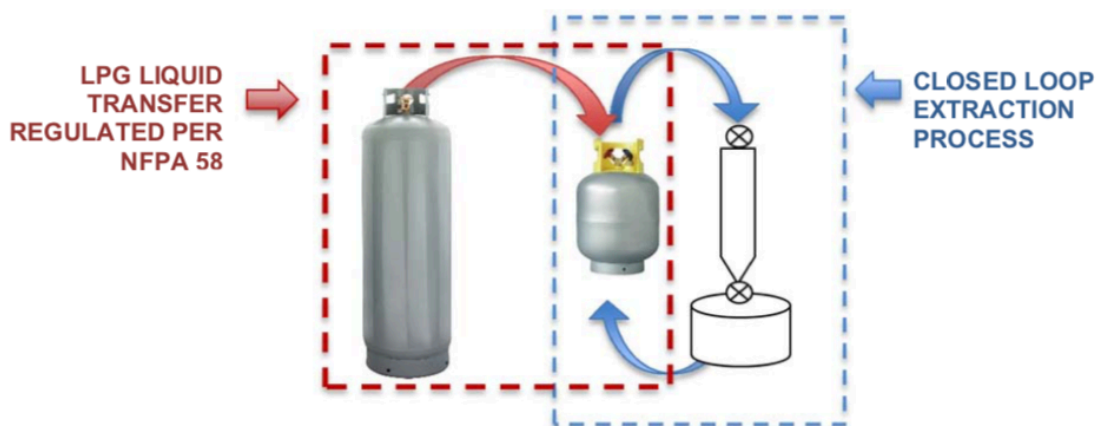
A hazardous exhaust system shall be installed for flammable liquid processes exceeding 5 gallons. These include boil/evaporative processes, distillation processes, and flammable liquid plant wash processes. This exhaust system is intended for larger processes where dispensing of

flammable liquids also occurs in greater volumes, flammable liquid laden plant material is removed from equipment and/or vapors are present from heated extraction processes. The exhaust system will provide capture and containment velocity across the work area.

Distillation process using less than 5 gallons shall be performed under a chemical fume hood designed to contain fumes within the hood and exhaust them to the exterior. This system does not have the duct gauge thickness and other requirements of a full hazardous exhaust system. This exhaust system is typically for smaller bench-top type of distillations and also small flammable liquid dispensing volumes.

- **FILLING LPG EXTRACTION EQUIPMENT**

Filling LPG Extraction Equipment. Extraction equipment includes an LPG solvent tank (i.e. a local system supply tank) which is filled with LPG and supplies the extraction equipment and this same tank is also used to reclaim LPG after the extraction. This delineation is depicted below.



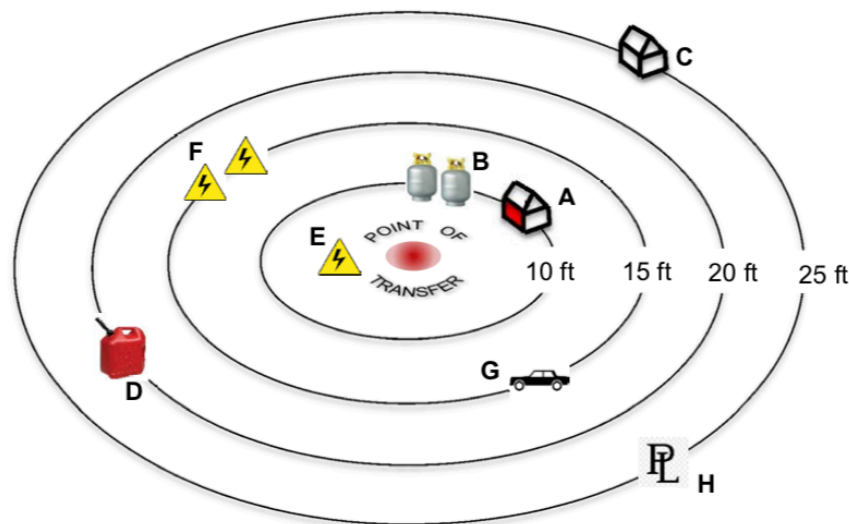
Filling the solvent tank is regulated as LPG liquid transfer under NFPA 58. Indoor filling and/or indoor filling from piped LPG liquid systems will be conducted indoors where the room and process has been designed in accordance with NFPA 58.

The following is a summary of requirements from NFPA 58:

- i. Personnel conducting liquid transfer operation shall be trained in LPG filling (recertified every 3 year). Documentation of training shall be available (NFPA 58-7.2.1)
- ii. Public access to the filling location must be restricted (i.e. fenced area)
- iii. The filling location must be located 15' from combustion engine use; i.e. vehicle parking. All ignition sources shall be shut off. The location may be located against a noncombustible building wall without openings.
- iv. Electrical equipment is required to be Class I Division I within 5' and Class I Division II within 15' of filling operations.

- v. Where heating blankets are used, they must be listed for use in explosive environments. An electrical permit is required for any circuits being extended to the filling location.
- vi. Where scales are used for weighing containers, they shall be Class I Division I listed or be of the mechanical type.
- vii. Smoking, portable lighting, portable electric tools, etc. shall not be in use within 25' of the filling operation.
- viii. Purging of tanks may be performed at the tank filling location in accordance with NFPA 58. The tank must be rapidly dispersed in the atmosphere, where environmental conditions do not allow rapid dispersal (i.e. wind conditions, site conditions such as neighboring buildings on lot lines not allowing adequate natural ventilation, etc). LPG must be flared using a method in compliance with NFPA 58.

The NFPA 58 separation distances from the trans filling location are illustrated below.



1. Buildings with 1HR fire rated exterior wall
2. LPG Containers in Storage
3. Buildings with non-fire rated exterior wall or building openings
4. Flammable / combustible liquid storage
5. Class I Division I electrically classified area within 5' of transfer
6. Class I Division II electrically classified area
7. Vehicle traffic
8. Property Line that can be built upon

• DAY-TO-DAY VOLATILE MANUFACTURING OPERATIONS

An extraction method is simply a particular technique involving a chemical solvent or extraction agent, like alcohol, butane, isobutane, propane, dry ice, or ice water, among others. These solvents and extraction agents are intended to basically separate trichomes and their resin from

the plant matter. Trichomes, the microscopic manufacturing factories for cannabinoids and terpenes within the plant, create and contain all of the medicinal and lifestyle enhancement value of the plant. A concrete or an oleoresin that has been winterized to remove the waxes, lipids, and fats. We will use a closed loop system for BHO which will allow for capture of used butane to be reused in the next run of extraction. This means that such processes and machines use less solvent, none escapes into the atmosphere, and a significantly greater percentage is removed from the final concentrate product.

Following the extraction of the trichomes via pressurized butane or solvent processing, the resulting layer cannabis resin is placed into a vacuum oven to undergo a process called purging. This involves the chamber being depressurized, which creates a vacuum. This vacuum causes residual butane or solvent in the mid-stage, unfinished concentrate to literally be pulled out as they expand, at which time their gases are quickly removed from the chamber by the vacuum and captured for reuse. Purging removes not only residual solvents from the substance, but also most impurities.

Purging concentrate brings a concentrate one step closer to final product and involves heating in the vacuum oven, at roughly 110 degrees F (43 degrees C), for three to 10 hours. This allows any lasting residual traces of butane or impurities to be removed out of the concentrate via evaporation. this ensures that the lowest amount of solvent remains, helping guarantee a healthy product and adherence to industry best practices and applicable regulations. The final extract product is then allowed to cool and collected for further processing and packaging for distribution.

• **DELIVERIES FOR OPERATIONS**

Cannabis products manufactured on site will be safely and securely transported from the facility in unmarked vehicles (cargo vans) only by a licensed distributor. Outbound transport will occur only within the building itself through the secure roll up door.

This business will not conduct a large volume of inbound or outbound shipping. Our hours for receipt of delivery will be between 8 AM-12 Noon M-F. Anticipated deliveries are as follows:

- ETHYL ALCOHOL – up to a 50-gallon barrel or as allowed by the City of Woodland will be delivered as often as once per week by a cargo truck with a lift gate. No more than 50 gallons or as allowed by the City of Woodland will be on site at any given time.
- ISOPROPYL ALCOHOL – 8 gallon containers will be delivered as often as once per week accompanying the ethyl alcohol.
- PLANT MATTER – 200-1000lbs delivered 1-2 times/week via a secure cargo van or 15ft truck.
- BUTANE – up to 5 times/week delivered by a 25 ft open flatbed truck in 1-2 secure skids of up to 8 tanks holding up to 150lbs of BUTANE each or as allowed by the City of Woodland. Empty tanks are removed by the same vendor.

- PROPANE - up to 5 times/week delivered by a 25 ft open flatbed truck in 1-2 secure skids of up to 8 tanks holding up to 150lbs of PROPANE each or as allowed by the City of Woodland. Empty tanks are removed by the same vendor.
- GENERAL and OFFICE SUPPLIES – 1 time/week office supply delivery via UPS or USPS van/truck, amounts will be commensurate with the usual office supply deliveries for a business.

- **ENHANCED PRODUCT SAFETY**

Manufacturing components. In no case shall any hazardous, flammable or explosive substances be used to process or manufacture cannabis products on site. Food grade alcohol solely for the purposes of cleaning machinery and dissolving wax, unless otherwise prohibited by the State of California, is used and permitted. City of Woodland Environmental Services may inspect the commercial cannabis business at any time during business hours to ensure compliance with this Section.

Food standards. We agree that all food products, food storage facilities, food-related utensils, equipment and materials will be approved, used, managed and handled in accordance to the provisions of the California Retail Food Code, California Health and Safety Code sections 113700- 114437. All food products shall be protected from contamination at all times, and all food handlers must be clean, in good health and free from communicable diseases. Food handlers shall be required to take and complete a food handler course accredited by the American National Standards Institute (ANSI) within 90 days of commencing employment at the premises and again every three years during employment. For licensees in operation pursuant to Section 40140, applicable personnel shall complete the ANSI-accredited food handler course no later than 90 days after the effective date of the license.

Quality and safety of sources. All of our source materials are tested for pesticides, fungus, pests, molds, and other contaminants throughout our processes to guard against adulteration prior and post manufacturing process. We source from only the most responsible cultivators to ensure that ingredients are clean and pure. We track all inbound and outbound materials (component and manufactured product) using the MJ Freeway platform.

Labeling and packaging. Any applicable product will be labeled and in tamper-evident packaging which at least meets the requirements of California Business and Professions Code section 19347, as the same may be amended from time-to-time or superseded or replaced by subsequent State legislation or by any department or division of the State of California, and in compliance with any County packaging and labelling requirements on cannabis or cannabis products.

- **SECURITY INFORMATION**

Security is of the utmost importance to us and our group intends to meet or exceed all City of Woodland and State of California requirements. Full details on our security plan can be found in

“Safety and Security Plan”.

• RECORD KEEPING

Scrutinizing company operations and maintaining precise records will not only ensure that we meet all required regulations, but also that our business is run most efficiently. Our management team has a reputation in business for being proactive instead of reactive and will incorporate business process to ensure compliance in all aspects of the business. At a minimum, our team will make and maintain complete, accurate and legible records of the permitted Marijuana Operations evidencing compliance with the requirements of MCRSA and Ordinance No. 786 which shall be subject to audit. The additional tasks related to this function will include, verifying accounting (audit) and accounting practices, verification of required insurances, permits, indemnification requirements, and investigations related to violations

• TRACK AND TRACE

Information technology and software will be widely deployed through the standard operating procedures of our company. Applicant recognizes the need for customized platforms to ensure the highest levels of compliance. Areas of particular concern and focus include without limitation: verifying state required labeling, dosage, accounting practices and independent testing of product.

Additional, Applicant is currently reviewing the compatibility of various software packages (e.g. MJ Freeway) with some of our potential partners to ensure a seamless integration from the first day of operations. Our systems will be state-of-the-art and may include features such as RFID tagging of products so that a detailed history of movement can be gathered simply by entering or exiting our facilities or vehicles. Our team will work closely with the County and the State to deploy systems that are efficient, accurate and fully compliant with all regulations.

• WATER USAGE AND HAZARDOUS MATERIALS

Due to the nature of our business, we will require very little water usage both on and off site. Water usage will be limited to the use of toilets and sinks in restrooms for on-site employees. No other on-site water usage is expected as drinking water will be provided by water coolers and delivery of water.

Outside of the gasoline (and potentially diesel) used as fuel within our vehicles, ES will not be using any hazardous materials. Our site plan calls for adequate fire suppression measures to ensure containment in the event of an emergency situation.

• OTHER OPERATIONAL REQUIREMENTS (STATE and LOCAL COMPLIANCE)

Applicant shall always operate in compliance to local and state regulations. We intend to thoroughly screen our employees and maintain a respectful and law-abiding staff. ProTerp will have a zero tolerance for any employees that demonstrate behaviors that display anything but the highest levels of professionalism.

Our team will work with officials to ensure the compliance measures related to signage, prohibited activities such as consumption of marijuana and alcohol on site, presents of minors, building and fire code compliance, odor control, compliance with department of public health, security compliance (video monitoring), monitoring manifests for deliveries and transports, water usage, disposal, and confirming proper safeguards for type 2 manufacturing facilities (volatile) will be upheld at all cost. ProTerp will maintain a zero tolerance for any employee acting outside of the bounds of these important compliance areas.

Through constant oversight, responsible hiring practices, and a priority on safety, compliance and security, we will ensure quality of products. We engage a team of lawyers, community relations staff and industry advisors to assist with governance, compliance, legal adherence, and updates to laws and regulations.

Each employee shall undergo an annual background check and have their own access key cards that will allow them to access the premises and record in and out activities within the premises.

Premises shall have a sign that is 8 inches by 10 inches in size and shall be displayed at all times in a conspicuous place so it is able to be readily seen by persons entering the business:

- This site is not open to the public
- Onsite retail sales of any goods and services is prohibited”
- Juveniles are prohibited from entering this site”
- Smoking, ingesting, or consuming cannabis on site is prohibited

• **DISTRIBUTION**

ProTerp is going to have an exclusive engagement of licensed and compliant based distribution or transportation companies. ProTerp is currently engaged with (2) State licensed distributors that will be engaged in transportation, quality control and testing for ProTerp’s products. ProTerp will require its contracted companies to employ best practices when engaged in the transportation of its cannabis, including without limitation licensing, shipping manifests, uncompromising compliance with the state track and trace program, maintaining a physical copy of the shipping manifest for the availability of law enforcement officers, secure vehicles with all regulatory requirements.

• **INVENTORY CONTROL**

Inventory Control and Tracking. To track our inventory, inbound supply and outbound product, we will employ record-keeping using MJ Freeway. This platform tracks the product throughout its entire lifecycle within the facility and as it is transferred in and out of the facility. MJ Freeway is a nationally recognized a point-of-sale tracking system that easily reports on all aspects of the business including, but not limited to, batch cannabis tracking, inventory data, and gross sales (by weight and by sale). This system and information is compatible with the City's record-keeping systems and our financial system, Quickbooks. The system has the capability to produce historical transactional data for review by the City of Woodland. As mentioned, MJ Freeway’s software integrates with our QuickBooks system and integrates with most other software platforms, which makes it a dominant choice for cities that track their cannabis

businesses and for the cannabis industry. All of the tracking activity occurs using only an Internet connection so the information is secure, but accessible remotely. MJ Freeway incorporates all cannabis compliance regulations and enables the entire supply chain management from seed-to-sale and across the whole enterprise, managing all of our goods, labor, supplies, customers, and sales in one place.

Labeling and packaging. We will not be producing edibles and no cannabis will be sold to the public onsite. Products shall be labeled and in tamper-evident packaging which meet the requirements of California Business and Professions Code section 19347, and in compliance with King City Council packaging and labeling requirements on cannabis or cannabis products, specifically:

Packaging. All items sold or distributed wholesale shall be individually wrapped. Any edible cannabis product that is made to resemble a typical food product is properly labeled opaque (non-see-through) package before it leaves our facility. Deliveries must be in a properly labeled opaque package when delivered.

Labeling.

The label for a cannabis product shall include an informational panel that includes the following:

- 1) The licensed manufacturer and its contact number or website address;
- 2) The date of the cannabis product's manufacture;
- 3) The following statement:
"GOVERNMENT WARNING: THIS PRODUCT CONTAINS CANNABIS, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. CANNABIS PRODUCTS MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT. THE INTOXICATING EFFECTS OF CANNABIS PRODUCTS MAY BE DELAYED UP TO TWO HOURS. CANNABIS USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF CANNABIS PRODUCTS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY. PLEASE USE EXTREME CAUTION.
- 4) If the cannabis product is intended for sale in the medicinal-use market, the statement "For Medicinal Use Only;"
- 5) A list of all product ingredients in descending order of predominance by weight or volume;
- 6) If an edible product that contains an ingredient, flavoring, coloring, or an incidental additive that bears or contains a major food allergen, the word "contains," followed by a list of the applicable major food allergens;
- 7) If an edible product, the names of any artificial food colorings contained in the product;

- 8) If an edible product, the amount, in grams, of sodium, sugar, carbohydrates, and total fat per serving;
- 9) Instructions for use, such as the method of consumption or application, and any preparation necessary prior to use;
- 10) The product expiration date, “use by” date, or “best by” date, if any;
- 11) The UID and, if used, the batch number.
 - a) The informational panel text shall be in a type size of no less than 6-point font and in relation to the size of the primary panel and container, unless there is insufficient area on the container available to print all the required information in a type size of no less than 6-point font.
 - b) The text of the supplemental labeling shall be no less than 8-point font.
- 12) Warning if nuts or other known allergens are used.
- 13) Stating total weight (in ounces or grams) of cannabis in the package.
- 14) Warning on the front of the package that the item is a medication and not a food.
- 15) Warning that the product is to be kept away from children.
- 16) Stating that the product contains cannabis.

Storage, location and amount of on-site cannabis and cannabis product. We place the highest concern on securing cannabis and cannabis product. To prevent diversion of cannabis and cannabis product, we will incorporate employee screening, secure storage of cannabis and cannabis products, and personnel policies governing access to, use and removal of inventory. Additionally, physical and electronic inventory control measures will prevent unauthorized access, theft, loss and diversion. We store all medical cannabis and medical cannabis products, including live plants in secured and locked rooms. Access to any storage area is allowed only with badged entry. Only those with authorized access will be able to access the storage rooms. Each entrance and exit records the activity by employee, time and date. The cold storage room for the cannabis plant that shares an exterior wall will have theft-prevention barriers installed on the exterior of the steel wall.

Amounts. Stored cannabis and cannabis products will amount to 200-1000 lbs of plant material and 5-20lbs of cannabis product at any given time.

Inventory control. As set forth above, we control inventory by maintaining a secure – badged entry system to areas that store cannabis, cannabis products, and chemicals and by hiring the right people. Security cameras record areas where the plant material and cannabis product is stored and produced. Removal of inventory from the facility without prior notice to the security guards and logging the activity in MJ Freeway is strictly prohibited. Also, only authorized personnel may handle plant or cannabis product with an even stricter level of authorization controlling who may leave the facility with plant or plant product.

- **HUMAN RESOURCES AND PERSONEL POLICIES**

All employees and managers will be fully vetted, permitted, and registered in accordance with City’s and State’s requirements. In addition to government required background checks and Live

Scan. All applicants will be thoroughly screened through a private background and reference checking process to ensure only the highest caliber of employees. All employees will receive thorough training for their respective responsibilities and will be subject to management oversight in the form of random inspections, performance reviews, and remote monitoring through IP camera system.

Employee benefit packages and performance bonus structures are currently under consideration and will be deployed as appropriate for individual responsibilities. ProTerp has a strong desire to create an enjoyable workplace where hard work is rewarded. Employee happiness and retention is of great concern to senior management.

Because our company does not currently employ more than 20 employees, it does not trigger the requirement for a Labor Peace Agreement to be in place. However, we do anticipate growth and acknowledge this requirement. We fully intend to comply with all labor and/or union requirements. Please see our “**Labor and Employment**” in section IV of our CUP Application Package.

Minimum age. At no time will anyone under the age of 18 be employed by the business.

Youth Access. As a manufacturing facility, we will not be open to the public, we will not have to conduct medical recommendation verification and youth will not be allowed on site. The doors will remain locked during business hours with only authorized personnel allowed inside the premises. This will ensure that youth may not access the facility. Persons under the age of eighteen (18) years shall not be allowed on the premises as visitors or employees.

Background Checks. Every person listed as an owner, manager, supervisor or employee of the business will submit fingerprints and other information deemed necessary by the Chief of Police or his designee for a background check by the City of Woodland Police Department or Yolo County Sheriff’s Department. All potential employees will be subject to our background check via a service approved by the police such as LiveScan. Once the Police Department or the Sheriff’s department approves the potential employee, we will proceed with the interview and hiring process. Potential employees are vetted (background checks) to the satisfaction of the City of Woodland Chief of Police and in compliance with the Regulatory Application Package. An agreed upon third party will perform the check and results will be shared with the City and the Police Chief and ProTerp as well as with any consultant the City engages to assist with background check reviews. When Livescan is available, employees will submit to Livescan reviews.

Employee Records. ProTerp will maintain on-site a current register of all the employees currently employed and shall produce such register to the City Manager or his/her designee or any other City of Woodland official authorized to enforce the Woodland City Code for purposes of determining compliance with this Chapter.

Employee training. All staff will undergo initial and ongoing training in manufacturing and machinery safety, OSHA and personal protective equipment requirements, documentation, testing, hazard response, chemical handling, labeling documentation, and emergency procedures. We offer mandatory training in a module similar to the programs outlined at

<https://www.osha.gov/dte/>. MJ Freeway conducts extensive training on the tracking software. MJ Freeway's professional trainers provide this training on their tracking platform. Training will also include secure facility protocols to ensure against theft and diversion.

Transport. Cannabis products will be safely and securely transported to and from the facility in unmarked vehicles only by known partners. ProTerp will only accept transport to and from the facility using licensed cannabis distribution transporters according to State law. Transportation transactions will be documented on a manifest in a clear and consistent format that provides key details including: driver and vehicle identification, weight and/or unit counts of all products, route traveled, departure and expected arrival times, and alerts when shipments are late. We inspect each inbound and outbound transport to ensure that the product arrives on time, is not tampered with or diverted, and that the inventory levels are properly accounted for.

Loitering. Loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises is prohibited.

Identification. Each person to whom a work permit is issued shall wear his or her personal identification card, issued by the City of Woodland, at a prominent and readily-visible location on the outermost garment and approximately chest-high. Such identification card shall at all times be in good and readable condition.

Change of Employment. In the event a person changes employment from one commercial cannabis business within the city to another, ProTerp shall notify the City Manager or his/her designee in writing of the change of employment within ten (10) days of such change or the work permit shall be suspended or revoked and such person shall not be permitted to work within any commercial cannabis business within the city.

Onsite consumption prohibited. Cannabis shall not be consumed on the premises.

- **SUPPLY CHAIN**

Vendors and suppliers. It is the highest priority for ProTerp to obtain plant material from the most cleanly cultivated, organic sources and only sourced from growers in California. When California licenses growers, we will obtain plant material only from growers licensed by the State of California. All of our purchases and transactions will be fully compliant with State and local law.

Transport tracking. We ensure compliant supply chain by conducting transport to and from the facility with licensed cannabis transporters or licensed cannabis businesses according to State law when that law comes into effect. Transportation transactions will be documented on a manifest in a clear and consistent format that provides key details including: driver and vehicle identification, weight and/or unit counts of all products, route travelled, departure and expected arrival times, and alerts when shipments are late. We inspect each inbound transport to ensure that the product arrives on time, is not tampered with or diverted, and that the inventory levels are properly accounted for. Every vehicle and delivery is accompanied by compliance paperwork reflecting state and local required detail.

Transporters. In accordance with current state law, all transports occur by and between members of both the growing and manufacturing collectives, by individuals authorized to transport for both collectives. When state law governing transporters comes into effect (the regulations are not even written yet), ProTerp will adjust the process to transport only using licensed distribution transporters and operate according to state law.

Handling inbound product. All inventory deliveries are scheduled in advance with a ProTerp manager. Security guards know the delivery schedule and check the credentials of the delivery driver upon arrival. No unscheduled or ad-hoc deliveries will occur. If the credentials match, the delivery driver is met by a manager on site at the loading dock where each item is weighed immediately. Only a ProTerp manager can sign off on the delivery. Every item is then taken into inventory and logged into the MJ Freeway system for accurate tracking.

Types of deliveries to the facility. This business will not conduct a large volume of inbound or outbound shipping. Our hours for receipt of delivery will be between 8 AM-12 Noon M-F. Anticipated deliveries are as follows:

- CO₂—up to 5 times/week delivered by a 25 ft open flatbed truck in 1-2 secure skids of up to 8 tanks holding up to 150lbs of CO₂ each or as allowed by KCMC. Empty tanks are removed by the same vendor.
- ETHYL ALCOHOL – up to a 50-gallon barrel or as allowed by the KCMC will be delivered as often as once per week by a cargo truck with a lift gate. No more than 50 gallons or as allowed by the KCMC will be on site at any given time.
- ISOPROPYL ALCOHOL – 8 gallon containers will be delivered as often as once per week accompanying the ethyl alcohol.
- PLANT MATTER – 200-1000lbs delivered 1-2 times per week via a secure cargo van or 15ft truck.
- PROPANE – 200-300lbs delivered 1-2 per week
- GENERAL and OFFICE SUPPLIES – 1 time/week office supply delivery via UPS or USPS van/truck, amounts will be commensurate with the usual office supply deliveries for a business.
- **TRANSPORTATION PLAN (OUT)**

Readying the product for transport. When products are ready for transport, they are labeled and packaged according to the procedures outlined herein for labeling and transport. Oils are packed and transported in tamper-evident boxes which are weighed and labeled as to quantity counts.

Safety. Cannabis products manufactured on site will be safely and securely transported from the facility in unmarked vehicles only by a licensed distributor. Outbound transport will occur only within the building itself through the secure roll up door. Every vehicle and delivery is accompanied by compliance paperwork reflecting state and local required detail.

Tracking. Every outbound product will be documented on a manifest in a clear and consistent

format that provides key details including: weight and/or unit counts of all products, batch id, and product type. All of the inventory transported from our facility will be tracked using the MJ Freeway system.

Inspection. A ProTerp manager inspects each outbound transport to ensure that the product is properly packaged and labeled and is secured against tampering or diversion.

Transporters. In accordance with current state law, all transports occur by and between members of both the growing and manufacturing collectives, by individuals authorized to transport for both collectives through a licensed distributor.

Handling outbound product. Every item taken out of our facility will be reflected as transferred or sold from inventory in the MJ Freeway system for accurate tracking. All inventory sent off site will be handled by a ProTerp manager. No item may leave the facility unless security guards know in advance that the inventory will be transported away from the facility. No unscheduled or ad-hoc outbound deliveries will occur. Only a ProTerp manager can sign off on the outbound delivery. We maintain strict inventory control by maintaining a secure – badged entry system to areas that store cannabis, cannabis products, and chemicals and by hiring the right people. Security cameras record areas where the plant material and cannabis product is prepared for transport. Removal of inventory from the facility without prior notice to the security guards and logging the activity in MJ Freeway is strictly prohibited. Also, only authorized personnel may handle plant or cannabis product with an even stricter level of authorization controlling who may leave the facility with plant or plant product.

- **BUSINESS MANAGEMENT PLATFORM**

Management (See Staffing Plan for details). ProTerp will contract with a separate company to operate its facilities. The management company will have responsibility for oversight of the manufacturing operations. ProTerp will also contract managers that including without limitation governance of employees, quality control, reporting, record and bookkeeping under the guidance of ProTerp’s tax advisor and compliance with all aspects of the operations. ProTerp will employ laborers and to the extent possible, bear all costs of goods.

In order to operate at optimal efficiency as well as to remain compliant with state and local rules and regulations regarding Cannabis volatile manufacturing, all inventory pertaining to the business operations of ProTerp will be carefully monitored and controlled by means of inventory management computer software and surveillance. The inventory management system will include internally-generated Excel spreadsheets as well as third-party inventory tracking software as deemed applicable by management and in compliance with state and local requirements as implemented from time to time. The responsibility of oversight regarding data and inventory tracking for the shall lay with the Controller of the company.

The company will implement a cloud-based inventory tracking and operations coordination system to manage labor allocation and supply chains in order to best care for large crops of Cannabis plants. An operations schedule, established by the Chief Operations Officer, will be implemented by the lead manufacturer and adjusted as necessary according to the real-time conditions of the plants as they develop and grow. Schedules for each manufacturing room will be organized into a

master schedule overseen by the Chief Operations Officer and communicated to the lead manufacturer.

- **TAX COMPLIANCE / HANDLING CASH**

ProTerp like all other cannabis manufacturing facilities has the difficult task of managing cash, in a world where banking through formal channels is virtually impossible for any sustained period of time. Addressing the considerable challenges of tax compliance, particularly at the federal level, along with accurate books and records keeping, will be paramount in this emerging regulatory environment. ProTerp will engage the services of a Certified Public Accountancy firm to both set up its operations and assist in keeping the books and records. Doing so ensures compliance with tax obligations at all levels and assists ProTerp. in classifying different activities and costs within the business.

State and Local. ProTerp will be required to obtain a Sacramento Business Operating License and pay a community benefits tax estimated at \$48,280 annually. ProTerp has registered with the Board of Equalization and obtained a seller's permit. Moreover, statewide regulations will likely dictate that ProTerp will also be required to pay licensing fees to the State of California to remain compliant with MAUCRSA.

Federal. At the federal level, deductible expenses under IRC 263A and 280E and the filing requirements of Form 8300 are challenging for many manufacturers. Under federal guidelines, only expenses that qualify to be classified as Cost of Goods Sold (COGS) are allowable deductions for a business that is involved in a federally illegal activity. Manufacturers, as it happens, are better positioned than retailers to write off a considerable amount of their costs as COG's.

Expenses deductible at the federal level may include, rent, utilities - electricity and water, nutrients and fertilizer, packaging materials, and labor, provided each can be rightfully attributed to production. Rent for flowering space would be deductible, but rent for office administration would not. Questions remain as to whether costs for security for the inventory, insurance, scales, excise taxes and potentially, accounting and traceability software costs qualify. Appropriate classification can maximize the COG deductions and remain compliant.

Form 8300. The law requires that trades and businesses report cash payments of more than \$10,000 to the federal government by filing IRS/FinCEN Form 8300, report of cash payments over \$10,000 received in a trade or business. The information contained in the form assists law enforcement in its anti-money laundering efforts to investigate possible tax evasion, drug dealing, terrorist financing and other criminal activities. Transactions that require Form 8300 are widespread. Cash includes the coins and currency of the United States and a foreign country, may also include cashier's checks, bank drafts, traveler's checks, and money orders with a face value of \$10,000 or less. If the business receives more than one payment in cash, totaling \$10,000 or more Form 8300 must be filed within 15 days of receipt. When businesses comply with the reporting laws they provide authorities with an audit trail, however failure to file same carry penal and pecuniary penalties.

Payments to Employees. Until such time as ProTerp finds a payroll service to handle the cash conundrum all cannabis companies face, it will pay its employees in cash, retain appropriate tax withholdings in conformity with the law and provide its employees with check stubs setting forth all information required pursuant to federal, state, FICA, SSDI, SSI and all other required withholdings.

Cash Storage. Cash will be removed from the site by contracted security services company and stored at a secure location upon the accumulation of \$25,000 or more. Alternatively, upon the implementation of state licensing of distribution companies, ProTerp. will attempt to negotiate the delivery of monies by said distribution companies to the offsite storage.

- **SAFETY, HEALTH, AND ENVIRONMENTAL CONCERNS**

Upon rebuilding the facilities, working conditions will not only meet, but exceed the standards established by OSHA, state, and local laws. ProTerp will contract with an Occupational Health & Safety consultant that provides comprehensive Health, Safety, and Environment (HSE) services. Said consultant shall provide counselling to ensure that we ProTerp. employees and contractors have a thorough understanding of the work environment and any potential risks. ProTerp. will seek a range of realistic options and control measures to provide for the safety of its employees and others.

Articles

Seller's Permit



Community Relations Plan

Community relationships are the keystone of success in any business and our management team strongly believes in being a steward of the community. Our team of ardent professionals will display nothing but the highest levels of business acumen and respect for our neighbors and greater community. We will work closely with government and citizen leaders as well as law enforcement to be a beneficial addition to the community.

Nuriya Safarova is the designated Community Relations Manager for the cannabis manufacturing site and is responsible for outreach and communication with the surrounding community. Ms. Safarova has already taken initial steps toward reaching out to the community by introducing herself in person to all of the surrounding business neighbors and the neighbors adjacent to the site. In addition to initial in-person introduction, Ms. Safarova has sent out an introductory letter **“Neighborhood Manufacturing Site”**. A draft copy of the letter mailed is included in attached herein. In this letter, Nuriya provided her phone number and an email specifically established for the intake of any concerns or questions neighboring businesses may have and invited them to contact him directly to set up an individual appointment.

Ms. Safarova has received letters in support of ProTerp’s proposed project and has attached such letters as additional information within this packet.

Further details of contact with surrounding neighbors are attached herein in **“Neighborhood Contact Communications Table”** included with this plan.



1230 Harter Avenue Suite F
Woodland, CA 95776
(916) 718-0793

March 26th, 2018

Murray2U Partnership
1230 Harter Avenue Suite E
Woodland, CA 95776

Re: Neighborhood Manufacturing Site

Dear Neighbor:

My name is Nuri Safarova, and I am writing to introduce myself and my cannabis manufacturing business ProTerp Manufacturing, LLC. I am the designated Community Relations Manager and will be your point of contact for any inquiries or concerns you may have in relation to our business. I can be reached by phone at (916) 718-0793 or email at proterpmanufacturing@gmail.com. Our manufacturing site will be located at 1230 Harter Avenue Suite F Woodland, CA 95776.

I have met most of you in person within the last few weeks and it was an absolute pleasure to feel welcomed in your business park community. To those of you whom I have not yet met, please feel free to reach out to me at any time via phone or email.

A critical component to our operating model is deeply rooted in good stewardship to our community and the populations we serve. Additionally, our business must comply with local and State regulations that enforce strict security and health and safety guidelines. Our business as well as the building owner intend to engage in improvement of the business park to ensure everyone's comfortability and safety by addressing all of security and sanitation issues.

Furthermore, we are preparing to engage in an operating agreement with the City of Woodland to remit \$46,280 annually for the purpose of mitigating any adverse impacts the facility might have on our neighborhood.

Our vision includes running a compliant business that can be modeled for other like businesses. We are going to be producing high quality products held to highest standards and

eventually plan to become part of medical research studies on cannabis products. We will provide employment opportunities to City of Woodland residents and create a safe and pleasant environment within the community and in the surrounding areas.

Some of the ways that our manufacturing business strives to serve the community include:

- Aiding in the elimination of illegal, and problematic cannabis facilities and the nuisances surrounding them. Those nuisances include, but are not limited to, increased opportunity for crimes against property and persons at unsecured locations with obnoxious odors and fire hazards. These individuals hope to profit by selling cannabis on the black market, avoiding regulated and compliant dispensary operations which pay taxes and benefit the community at large. Our business aids in eliminating this behavior by complying with State's regulations and ensuring that our vendors and sellers have their State licenses. We will be acquiring legal cannabis from our neighbor-cultivators and providing legally manufactured cannabis to dispensaries in surrounding areas of City of Woodland.

Pursuant to both City of Woodland ordinance and reasonable good neighbor policies, our manufacturing operation will include the following:

- Odor Control. Our manufacturing site will have a comprehensive odor control system which will make odors typically associated with cannabis manufacturing undetectable.
- Comprehensive Security Plan. Our manufacturing site will employ a comprehensive security plan mandated by ordinance which includes security patrol, use of 24-hour security cameras, and strategic placement of lighting that will deter crime in the area.
- Community Employment. Our manufacturing site will provide employment opportunities for local residents.
- Economic Stimulation. Our manufacturing site will pay taxes in accordance with city and state requirements, which in turn will benefit our city at large, including our neighborhood.

In order to better address any initial inquiries or concerns you may have concerning our business, we welcome you to contact me directly to set an appointment for a meeting.

We look forward to becoming a part of the community and build positive and mutually-beneficial relationships with our new neighbors.

Sincerely,



Nuri Safarova
ProTerp Manufacturing, LLC



Odor Control Plan

During the plant's preparation, before it is extracted, there can be a slight odor. Our intention is to capture the odor/plant's terpenes. That being said, there should not be any cannabis odors exhausted from the building. Plant waste should have no discernible odor; all of the oils and components that create odor will have been removed from the plant prior to its disposal. We will have odor control devices and techniques including sufficient odor absorbing ventilation, an exhaust filtration system, and a negative air-pressure system so that odor generated inside the facility that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the commercial cannabis business. The following construction and filtration systems shall be implemented:

- **SEALED MANUFACTURING ROOM**

- a. The manufacturing room will be built in a manner to achieve as complete an air-tight seal as possible at the edges, corners, and entry-ways.
- b. Practices will be implemented and enforced to minimize the release of odors from the cultivation rooms into the surrounding area.

- **INTERNAL FILTRATION SYSTEMS**

- a. The Manufacturing room will be equipped with internal carbon filtration systems set to activate on a timed schedule in order to maximize internal air purification as well as energy efficiency.
- b. The Manufacturing room will be equipped with heating and air conditioning systems featuring recirculation ports fitted with carbon filters and high efficiency particulate air filters in order to prevent odors from being released from the HVAC system as air recirculates.

- **VENTILATION FILTERS**

- a. Any additional air ventilated from each room will pass through a central outlet equipped with charcoal filters or other high efficiency particulate air filters in order to eliminate odors from ventilated air.

- **EXTERNAL FILTRATION SYSTEMS**

- a. The areas surrounding each cultivation room will be subject to air filtration via timer-controlled industrial-grade air purifiers equipped with charcoal filters to capture any cannabis odors that escape from cultivation rooms.
 - b. The areas surrounding each manufacturing room will also be subject to additional odor control by means of ozone-generating air purifiers so that any air that ventilates through main building entry-ways will be clean and clear of any odors generated in the course of cannabis cultivation.



Energy Efficiency Plan

Our manufacturing operation is not energy intensive. We anticipate using 16 hours per day of power consistent with normal light industrial use. Our manufacturing process will use an estimated 1500 amps per day. Additional amperage will be consumed by air conditioning consistent with normal office park use for a 10,000 sqft area located in a climate comparable to Woodland City's. Our manufacturing area must stay around or below 74 degrees Fahrenheit, meaning that we do not have to maintain an exceedingly cool operating environment. The manufacturing facility will not create undue amounts of heat from light or power or other operations.



Plant, Oil and Chemical Waste Disposal

ProTerp has engaged with the City of Woodland's Environmental Services to establish standard operating procedures for plant and oil waste disposal.

Type of Material and Process.

- Green byproduct (buds or that the byproduct can still be used for the making of oils or the like, then the materials must be serviced as waste (trash)): Loads shall obtain a certificate of destruction with each disposal.
- Brown waste (does not contain buds or usable byproduct): the materials shall be hauled as organic waste, which will be composted and considered diverted materials. Loads shall taken to the Yolo County Central Landfill contain any green byproduct, they will be processed as waste and shall have a certification of destruction.
- Chemical Hazardous Waste materials (solvents, pesticides, chemicals, lamp ballasts, canisters/cylinders, personal protection equipment with residual, etc.): shall be disposed of through a hazardous waste facility. ProTerp shall engage with Yolo County Central Landfill to engage in Conditionally Exempt Small Quantity Generator (CESQG) business program.
- Recycling: (cardboard, paper, and plastic, glass, or metal containers): shall be separated from any waste or organics recycling loads.

Waste Storage. ProTerp Manufacturing shall dedicate a waste storage area for any green byproduct and brown waste in the "Quarantine" area labeled on the proposed floor plan. Solvent and Chemicals shall be stored within "C1D1" container labeled on the floor plan and shall have a dedicated area for storage of such waste.

- Green Byproduct and Brown Waste Storage. Inventory manager shall label each plastic 18-gallon container bin of hazardous waste, with the words "Bio-Hazardous Waste" for any green byproduct and brown waste, the date accumulation of the waste began, the name and address of the inventory manager, the manifest tracking number, and with labels that conform to the U.S. Department of Transportation requirements.

- Chemical Waste Storage. Inventory manager shall label Chemical Hazards as “Hazardous Chemical Waste”. Hazardous waste shall be stored in sealed, compatible containers (original chemical containers). Containers shall be kept closed at all times except to add waste. Hazardous waste containers shall be labeled with tags as soon as waste accumulation begins. Incompatible hazardous wastes shall be segregated and shall never accumulate more than 55 gallons (or one quart of acute hazardous waste) at a time.

Record Keeping. When hazardous waste is transported, the inventory manager must record the type, quantity, and the hazards of the waste on a tracking document called a hazardous waste manifest. Copies of all hazardous waste manifests shall be kept on-site and available for a minimum of 3 years.

Inspection. During accumulation and storage, the inventory manager shall inspect the hazardous waste containers weekly to verify that the containers are closed and in good condition.

Hauling. Materials shall be self-hauled to the Yolo County Central Landfill to a waste or compost facility by ProTerp (facility in which the materials were generated).

Frequency of disposal. Depending on the amount of materials generated, all waste generated from the facility shall be removed from the premise no less than one time per week.



TO: THE MEMBERS OF THE PLANNING COMMISSION
AGENDA: Planning Commission Meeting
DATE: September 20, 2018
ITEM #: H.2.
SUBJECT: **Epic Bros Enterprises, Inc Commercial Cannabis Distribution Facility**

Epic Bros Enterprises, Inc Commercial Cannabis Distribution Facility: A Proposed Conditional Use Permit for a Commercial Cannabis Distribution Facility Located at 1230 Harter Avenue, Suite J: PLNG 18-00069

Location: 1230 Harter Avenue, Suite J, Woodland CA 95776

Applicant/Owner: Epic Bros Enterprises, Inc, LLC/Ethan Conrad Properties

Environmental Report: Categorical Exemption

APN: -027-420-023

Project Planner: Cindy Norris, Principal Planner

Staff Recommendation: Conditional Approval

Report For: Planning Commission Public Hearing – September 20, 2018

General Plan Designation: Industrial/ Light Industrial Flex Overlay (I/LIF)

Existing Land Uses: The site is currently developed with a 42,241 square foot industrial building of which the applicant is proposing to occupy 4,027 square feet.

Adjacent Land Uses & Zoning:

<u>DIRECTION</u>	<u>LAND USE</u>	<u>ZONING</u>
North	Existing Industrial/Harter Avenue	I/LIF
South	Existing Industrial	I/LIF
East	Existing Industrial	I/LIF
West	Existing Industrial/Harter Avenue	I/LIF

Flood Zone: Flood Zone AE – Map #06113C0 455H dated May 16, 2012.

Street Access: East Street and Harter Avenue

Pending/Potential Action

Staff recommends that the Planning Commission:

1. Receive the staff report;
2. Conduct a public hearing;

3. Find that the project is exempt from further environmental review pursuant to Class 1 and Class 32 Categorical Exemptions under the California Environmental Quality Act (CEQA) and find that the Exemptions reflect the independent judgement of the City as lead agency under CEQA;
4. Approve Planning Commission Resolution No. PC - _____ recommending that the City Council approve a Conditional Use Permit for cannabis distribution facility at 1230 Harter Avenue, Suite J, conditioned upon approval of appropriate Cannabis Business Permit and the recommended conditions of approval.

Project Site Description

The overall project site is 3.66 acres in size and occupied by three buildings at 460, 1230, and 1250 Harter Avenue. The subject building at 1230 Harter Avenue is an existing one-story multi-tenant building approximately 42,241 square feet in size and houses multiple tenants (See Attachment 3, Site and Floor Plan). The property is bounded by vacant land, existing industrial development and East Street to the west, Harter Avenue and Interstate-5 to the north, and existing industrial development to the east and south. The applicant is proposing to occupy Suite J which is located in the north east corner of the building.



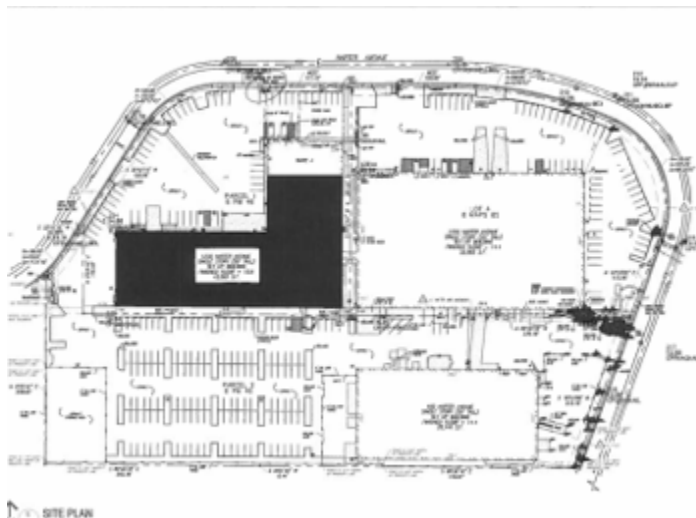
(1000 foot radius from the parcel)

The property is zoned for Industrial with a Light Industrial Flex Overlay and the proposed use may be considered with approval of a Conditional Use Permit by the City Council as the final acting body.

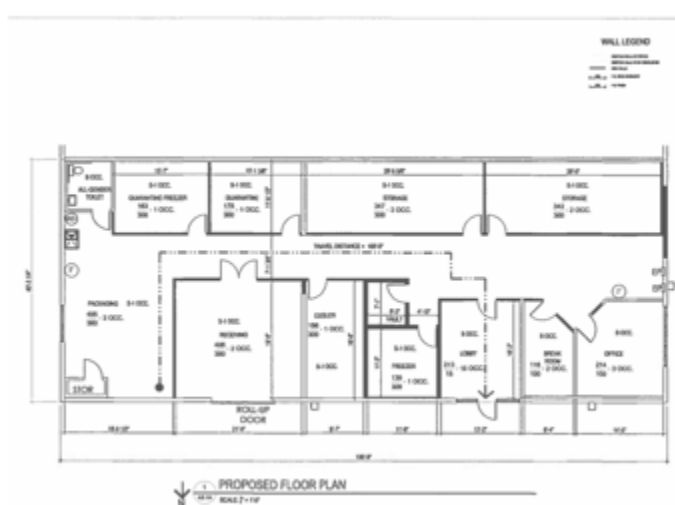
Project Proposal

On August 7, 2018, Epic Bros Enterprises, Inc applied for a Conditional Use Permit (CUP). The applicant is requesting a recommendation of approval to the City Council for a Conditional Use Permit by the Planning Commission, which will allow Epic Bros Enterprises, Inc (EBE) to occupy approximately 4,027 square feet in the existing building at 1230 Harter, Suite J, as a cannabis distribution facility. Approximately 543 square feet of space will be for office use with 3,484 square feet allocated for distribution purposes. (See Attachment 1, Statement of Justification and Vicinity Map and Attachment 4 – Business Plan). Under the terms and conditions of approval Epic Bros Enterprises, Inc. will be required to obtain a Cannabis Business Permit for a Distribution Facility, (Ordinance 1629 and 1630), and appropriate State Licensing (Type 11 – Commercial

Cannabis Distribution). A Type 11 license affords the broadest allowance for distribution activities which permits the business to manage and transport product all the way through the system from testing facilities to a licensed retail operation. No customers or sales will occur at the facility along with no signage or identification regarding the type of business that is operating.



(Site Plan – screened area is not a part)



(Floor Plan)

Background

On November 8, 2016 California voters approved Proposition 64, known as the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA). AUMA legalized non-medical cannabis use, possession and cultivation by persons 21 years of age and older. With the majority vote passage, the provisions related to personal use, possession and cultivation of non-medical cannabis went into effect on November 9, 2016. Commercial non-medical cannabis activities also became legal on November 9, 2016, although commercial activities require state licenses. The state began issuing licenses for commercial activities on January 1, 2018.

On June 27, 2017, California Senate Bill 94 was signed into law, repealing the Medical Cannabis Regulation and Safety Act (MCRSA) and amending AUMA to consolidate state licensing of medical and non-medical commercial activities. The new law is now called the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

On September 16, 2017, Assembly Bill 133 was signed into law by Governor Brown and it made numerous minor amendments to MAUCRSA. One of the amendments removed the requirement that cannabis businesses maintain separate and distinct premises for each use. Now multiple uses may be located at the same location, so long as a separate state license is obtained for each location where commercial cannabis activity occurs, subject to applicable state regulations.

The City of Woodland has passed several Ordinances to update the Municipal Code to address both personal and commercial cannabis uses. On December 5, 2017 the City Council approved Ordinance 1629 to add Article 21.6 of Chapter 25 to the Municipal Code relating to the zoning of Commercial Cannabis uses. The Council also approved Ordinance 1630 to add Chapter 13A to the Municipal Code related to commercial cannabis

business permits and operating regulations. Ordinance 1629 allows consideration for up to six (6) conditional use permits for cannabis uses, which may be located in the Industrial or Industrial with Light Industrial Flex Overlay zones. The Ordinance allows the consideration of multiple cannabis license type in one location to be considered under one Conditional Use Permit. However, each business entity will be required to obtain separate Cannabis Business Permits (CBP). An operating agreement, to be approved by the Community Development Director, consistent with council approved conditions, will be required with each CBP.

To date, the City has received three Cannabis conditional use permit applications.

ANALYSIS

Public Notification

Public notice advertising for the public hearing on this project was prepared by the Community Development Department in accordance with notification procedures set forth in the City of Woodland's Municipal Code and State Planning Law. Two methods of public notice were used:

- Legal notice was published in the Woodland Daily Democrat at least ten days prior to the public hearing.
- Notices were mailed to all property owners within 1,000 feet of the project site.

Applicable Laws, Codes & Ordinances

- This project is subject to several laws, codes and ordinances:

- The City of Woodland General Plan
- The City of Woodland Zoning Ordinance
- City of Woodland Cannabis Business Permit Requirements
- Community Design Standards
- California Environmental Quality Act (CEQA)

Environmental Assessment Status

- Staff has determined that a Class 1 Categorical Exemption (Existing Facilities) pursuant to Section 15301 of the CEQA Guidelines and a Class 32 Categorical Exemption (Infill Development) pursuant to Section 15332 of the CEQA Guidelines is the appropriate level of CEQA review for this document. Class 1 consists of the operation, repair, maintenance, permitting, leasing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agencies' determination. Class 32 exemption consists of projects characterized as in-fill development within urbanized areas. The class consists of environmentally benign in-fill projects located on sites that are less than 5 acres and consistent with local general plan and zoning requirements. The project will not have any biological, air, water, traffic, or noise impacts. The proposed use would occupy approximately 4,027 square feet space within an existing industrial multi-tenant building that has previously been occupied by industrial and manufacturing uses similar to the proposed project.

Reviewing Agency Comments

-

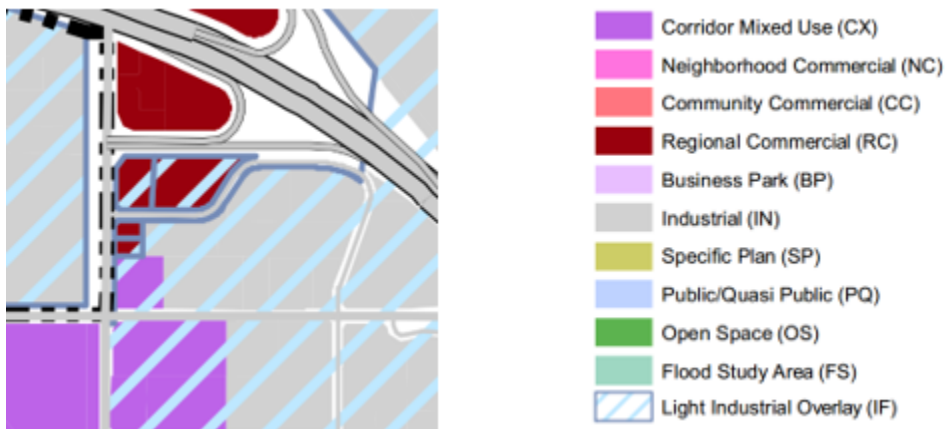
The project has been circulated to other city divisions and departments for review as well as to agencies outside the City of Woodland who have may have interest in the application including Air Quality, Waste Management, Yolo County, Yolo County Office of Education, and PG & E. All reviewing agency comments have been integrated into the conditions of approval.

Staff Analysis

2035 General Plan Consistency

The 2035 General Plan (GP) designation for the site is Industrial with a Light Industrial Flex Overlay (I/LIF). The proposed use of the site is consistent with the General Plan and shall be reviewed in accordance to the policies listed in conditional use permit discussion below. The General Plan describes this land use designation as follows:

When applied over the Industrial base designation, the Light Industrial Flex Overlay provides for a mix of general, light to custom industrial and manufacturing uses, including multi-tenant spaces with offices, contractor storage, agricultural processing, food producers, industrial technology, and other sensitive processing uses that require controlled performance standards.



(General Plan Land Use Diagram)

Climate Action Plan Consistency

The project involves the re-use of an existing building that will be re-purposed and upgraded to encourage new technology and an employment generating use. Strategy T/LU-2 encourages Redevelopment and Repurposing. The Climate Action Plan assumed that development would occur and continue within the urban areas of the city. In this instance, project has been conditioned to encourage and utilize energy saving features as appropriate including solar consistent with Strategy E-3. The applicant will be required to submit a statement with their building construction plans describing measures that they will be implementing.

Zoning Consistency – Chapter 25

The zoning designation for the site is Industrial with Light Industrial Flex Overlay (I/LIF), which provides for types of animal and food processing uses, manufacturing uses, industrial yard uses, warehouse and storage uses and other related miscellaneous uses, such as office space and general agriculture. The proposed future use of the site is industrial and is consistent with the Zoning Ordinance

The site is existing and developed as an industrial multi-tenant development. No significant exterior changes are proposed. The site meets all standards and criteria required in the Industrial District. The site has

significant parking available. The building has existing loading doors that are located behind a secured fenced enclosure on the north side.

Access and Parking:

There is adequate parking provided for use. The total site encompassing three buildings has approximately 258 parking spaces. The unit at 4,027 square feet would require 2 parking spaces based on the ratio of one space per 2,000 square feet of gross floor area (1/2000). The site was designed to accommodate truck loading and buildings have multiple loading doors. The facility has a secure fenced in yard area and roll up door on the north side of the building which provides additional security for deliveries and loading of cannabis product. The secured yard will be locked immediately after a vehicle enters the yard area. Measures provided through the Safety and Security Plan will help to ensure that this process is monitored and secure.

Landscaping:

The site has existing mature landscaping. The application will be conditioned to require on-going maintenance and replacement of any dead or dying plant materials.

600-foot Sensitivity Buffer

There are no sensitive uses within 600 feet of the parcel edge of the subject property. The site approximately 2090 feet from the proposed cannabis site at 1460 Tanforan Avenue, Suite B, and separated by the I5 freeway.

Conditional Use Permit Review

A conditional Use Permit (CUP) affords broad public review and evaluation of those uses which require special consideration to ensure proper integration into the community; mitigation of any potentially adverse impacts; and making the required findings to permit the use. In considering an application for a conditional use, due regard shall be given to the nature and condition of the proposed or existing use and all adjacent uses and structured and may impose such requirements and condition with respect to location, construction, maintenance, and operation, as may be deemed necessary for the protection of adjacent properties and the public interest. Conditional Use Permit analysis typically includes consideration of proposed use; hours of operation; consistency with zoning standards such as parking; compatibility with existing uses and structures in the surrounding area; and other criteria as may be deemed appropriate.

A CUP runs with the land unless the use ceases or the CUP is revoked. Once approved, should ownership of the land or the business change, the CUP would remain valid at the location approved. In addition to the CUP land use considerations above, the Cannabis Ordinance 1629 (Municipal Code 25-21.6.50(c)): provides other specific factors that shall be considered by the Planning Commission and ultimately the City Council including the following:

1. *The type of proposed use by the applicant:*

The requested use is a conditionally allowed use in the zone regulations. The use would fit the category of cannabis distribution in the Zoning Land Use Matrix. The use is consistent with the General Plan. General Plan policies that specifically relate to this request include the following:

2.D.3 – Technology Sector: Grow the technology sector in Woodland by leveraging the research strength at U.C. Davis. Encourage smaller companies and start-ups to locate in incubator spaces in Downtown and in areas with the Light Industrial Overlay designation.

2.E.7 – Public Safety and Community Design: Promote design that enhances public safety and

discourages crime by providing buildings that engage the street, as well as adequate lighting and sight lines.

4.C.6 – Monitor Trends: Monitor economic trends to identify emerging industries, new market opportunities, and the performance and mix of businesses to allow the City to be proactive and adjust to market changes.

4.C.9 – Importance of Agricultural Industry. Recognize the importance of agriculture-related business and industries to the City and region, and support the continuation and development of agriculture and agriculture-related enterprises in and around Woodland.

4.E.1 – Job Expansion through Business Expansion: Encourage the expansion and attraction of diverse businesses and industries that create and increase the quality and amount of stable, year-round jobs locally.

2. *Whether the proposed use will be detrimental to the health, safety and welfare of the community:*

The proposed facility would be contained within the existing building with numerous redundant security measures employed via a security plan reviewed and approved by the City of Woodland Police Department. The facility would not have exterior signage and would not be open to the public. Vehicles used to transport cannabis would be unmarked but also secure. The tenant improvement plans will undergo review and inspection by both the Building and Fire Divisions to ensure the proper construction, installation and operation of distribution facilities. The City will conduct annual review of the facilities and annual review of the general business operations. The applicant must also comply with all other agencies including health and state operating requirements.

3. *Whether the use would enhance the economic viability of the area in which it is proposed to be located, including adjacent and surrounding properties:*

The proposed facility will provide a new source of employment and revenue to the City while remaining under close regulation and oversight by both the City and State.

4. *Whether the applicant has adequately addressed potential community benefits of the use to offset potential adverse impacts:*

At the time of approval of a Cannabis Business Permit, an applicant will be required to pay a fee which has been determined to provide adequate cost recovery to the city for all activities, including police surveillance, associated with the proposed business. Further, as provided in a required operating agreement, a generalized contribution will be determined based on gross receipts derived from cannabis uses that will generate essential funds for protecting vital City services and facilities and mitigate impacts, and will help fund general municipal services, and place such businesses on more equal footing with existing City businesses.

The applicant has also included a Community Relations Plan and assigned a Community Relations Manager, Bejan Farahbakhsh. In a letter to adjacent businesses on August 1, 2018, EBE have provided contact information and explained their intent and mission to be a compliant business and to be a model for other similar businesses (Attachment 5).

5. *The extent of support or opposition to the proposed use and the location from members of the community:*

Prior to submittal of the initial application, EPE provided a letter to adjacent businesses on August 1, 2018, and public notice of the proposed cannabis use was provided in accordance with state law and in accordance with city requirements for 1,000-foot radius.

6. *The number of cannabis uses located or proposed to be located within 1,000 feet of the proposed location:*

The closest proposed cannabis use is for a cannabis manufacturing facility located within the same building in Suite F, ProTerp Manufacturing. An additional commercial cannabis facility is proposed at 1460 Tanforan Avenue which is approximately 2,090 feet from this project site (measured from parcel to parcel) and separated by the I5 Freeway.

However, the reality is that there are a limited number of sites and/or buildings currently available to cannabis uses. This limitation may be due to a number of reasons, such as the reluctance of some owners to lease space to cannabis uses; a lack of availability of smaller spaces within industrial buildings, which are more suitable to smaller scale manufacturing uses; and a number of restricted sites due to their proximity to sensitive uses. It is possible in the future that more cannabis related uses may request to locate in this proximate area due to the appropriate facility size available and a willing property owner.

Comments received have also intimated that vertical integration of uses is the most desirable for quality control purposes and safety. Vertical integration involves the combination of related cannabis uses housed in one facility. It has been suggested that should the city consider allowing indoor commercial cultivation that additional larger sized buildings may function better for cannabis uses.

7. *The extent to which the proposed use would cause a further overconcentration of that particular type of use in the area:*

At this time, there is no overconcentration of cannabis uses. See discussion above. The City may find that on a limited scale that it is acceptable to have multiple cannabis uses located in a specific area.

8. *The background and history of the applicant, including the nature and extent of problems on any premises where he or she has operated a cannabis business in the past:*

The applicants have completed all request for “Live Scan” and provided all relevant background information concerning past history with regard to Cannabis uses. At this time, there do not appear to be any significant concerns identified.

9. *Whether there is a history of police or crime related problems in the area of the proposed location which may be exacerbated by the establishment of the proposed cannabis use.*

The Police Department ran review of calls for service within a 1000-foot radius from the project site for the past calendar year. The calls for service do not reflect a high volume of police activity, especially for crime related calls. It is believed that establishment of the proposed cannabis operation, as conditioned, would not exacerbate crime related activities.

Cannabis Business Permit Review – Municipal Code Chapter 13A

The CBP provides for the review of operational features for each cannabis business entity and is required in addition to a business license. A CBP is required prior to initial operation and requires annual review. Prior to issuance of the CBP fees must be paid and a final Operating Agreement authorized. The CBP is approved by the Community Development Director. Operating details including a Security Plan, Lighting Plan, Odor Control Plan, Business Plan, Community Relations Plan, as well as an Operating Agreement and Indemnification statement are required as part of the CBP review. Some of these items, such as the Odor Control Plan and Community Relations Plan have been provided as part of the Conditional Use Permit review and are included as Attachments.

Community Relations Plan

A plan that describes who is designated as being responsible for outreach and communication with the surrounding community, including the neighborhood and businesses, and how the designee can be contacted. The community relations plan must include a description of the community benefit the business will provide, or proposes to provide, to the surrounding community. The applicant has provided an initial Community Relations Plan with the CUP application (Attachment 5).

Business Plan

A plan describing how the cannabis business will operate in accordance with this code, state law, and other applicable regulations. The plan must include plans for hours of operation, handling cash, and transporting cannabis and cannabis products to and from the business site, as may be applicable. Some aspects of this plan may be confidential. The applicant has provided an initial Business Plan with the CUP application (Attachment 4).

Odor Control Plan

A detailed ventilation plan describing the air treatment system, or other methods implemented to prevent offensive odors generated from the manufacturing, testing, and /or storage of cannabis from being detected outside the building. (Attachment 6)

Security Plan

The Draft Security Plan is a confidential document that generally addresses safety concerns related to vandalism, internal and external theft, lighting, video surveillance, security personnel, and other crime prevention. Because this document is confidential, it cannot be attached to this report. All interested parties to a cannabis business permit application are subject to fingerprinting and a criminal background investigation. The security plan has been reviewed by the Police and Fire Departments as part of the conditional use permit review. A final plan will be reviewed and approved with the Cannabis Business Permit.

Operating Agreement and Indemnification:

The City and applicant shall enter into an operating agreement, in a form approved by the city attorney, in which the applicant released the city from any damages or liabilities of any kind for violation of state or federal law and agrees to defend, indemnifies, against any and all claims or actions. In addition, the applicant agrees to operating terms and conditions mutually agreed upon that ensure that the community benefits derived from the

proposed cannabis business adequately address potential adverse effects.

Appeal

The Planning Commission action on the Conditional Use Permit shall be final unless, within ten (10) calendar days after the decision, the applicant or any other person, including the City Council, any individual City Council member, or the City Manager, not satisfied with the decision of the Planning Commission, may appeal to the City Council. No conflict of interest shall exist solely by reason of the filing of an appeal by the City Council, an individual City Council member, or the City Manager. Any appeal shall be filed with the City Clerk and, except an appeal by the City Council, a Council member, or the City Manager, shall be accompanied by a filing fee as prescribed by City Council resolution. The City Clerk shall set a date for a public hearing and shall give notice to the appellant, the applicant, and neighboring property owners in the manner provided in Section 25-27-20.

Attachments:

1. 1 PC Reso Epic Bros Dist CANN CUP w Conditions of Approval
2. 2 Application, Justification and Statement of Proposed Use
3. 3 Site and Floor Plans
4. 4 Business Plan
5. 5 Community Relations Plan
6. 6 Odor Control Plan
7. 7 Plant Oil and Chemical Waste Disposal
8. 8 Energy Efficiency Plan

**PLANNING COMMISSION
RESOLUTION NO. PC 18-0_____**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF
WOODLAND RECOMMENDING THE CITY COUNCIL OF THE CITY OF
WOODLAND APPROVE A CONDITIONAL USE PERMIT FOR A CANNABIS
DISTRIBUTION BUSINESS LOCATED AT 1230 HARTER AVENUE,
SUITE J**

WHEREAS, the applicant has applied for a Conditional Use Permit for a cannabis distribution facility in a 4,027 square foot suite within an existing one-story multi-tenant 42,241 square foot building on a 3.66-acre parcel in the Industrial with a Light Industrial Flex Overlay zone; and

WHEREAS, the project is exempt from further environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Class 1 Categorical Exemption, Existing Facilities) and CEQA Guidelines Section 15332 (Class 32 Categorical Exemption, Infill Development), as the Planning Commission of the City of Woodland finds as follows:

- The project consists of the permitting and minor alterations of an existing private structure that involves negligible expansion of the use beyond that existing at the time of the lead agencies initial determination as the existing facility is already zoned to allow industrial and manufacturing uses similar to the proposed project;
- The project consists of minor alterations for additional mechanical and security equipment to operate a cannabis business that utilizes existing utility infrastructure;
- The project is located on a site that is less than 5 acres and will not have any biological, air, water, traffic, or noise impacts; and

WHEREAS, the proposed use and its operating characteristics are consistent with the general plan, as the site is located in the Industrial/ Light Industrial Flex Overlay designation, which provides for industrial, distribution, and manufacturing uses that occur entirely within an enclosed building and are employment generating; and

WHEREAS, The Planning Commission finds that the proposed use is consistent with policies that encourage job expansion through business expansion, that encourage emerging industries and new market opportunities, that support agricultural related industry as well as the technology sector; and

WHEREAS, the Planning Commission finds that the proposed use and its operating characteristics are consistent with the applicable standards, requirements, and regulations of the zoning district in which it is located, and of all other provisions contained in Article 25-21.6 pertaining to commercial cannabis uses, and all operations will be conducted inside of the existing building; and

WHEREAS, the proposed use is in on a site and in a building that is physically suitable in terms of location, size, topography, and access, and that is adequately served by public and private services and utilities;

WHEREAS, the proposed cannabis business uses will not adversely affect the peace or general welfare of the surrounding neighborhood, as follows:

- The proposed use is not consumer based (no retail sales will occur at the premises) and therefore, will result in low vehicle traffic;
- The odor control plan will ensure no odors will be detectible outside the building;

- All activities will take place inside the building and will not be visible from the outside;
- A secured and fenced yard area will provide a secure entry for distribution access.
- All signage will be limited and the applicant will have a final lighting and security plan approved by the Police and Fire Departments to ensure internal and external safety; and

WHEREAS, the proposed use will enhance the economic vitality of the area in which it is proposed to be located, including adjacent and surrounding properties, the applicant will provide tenant improvements to the building including the addition of walls, partitions, and the use of a loading door and fenced secure loading and trash enclosures out side the building, and the project will be required to maintain the site in a clean and well kept manner; and

WHEREAS, based on existing circumstances, police data, and the background and history of the applicant, the Planning Commission finds that proposed use will not cause an overconcentration of cannabis uses in the area, potential community benefits of the use are likely to offset potential adverse impacts, and the proposed use is not likely to exacerbate crime-related problems in the area; and

WHEREAS, a public notice describing the proposed cannabis conditional use permit was published in the Daily Democrat, a newspaper of general circulation, in accordance with Government Code section 60661 and mailed to properties within 1,000 feet; and

NOW, THEREFORE BE IT RESOLVED, that the Planning Commission of the City of Woodland, based on substantial evidence in the administrative record of proceedings and pursuant to its independent review and consideration, does hereby make the above findings, determinations, and recommendations with respect to the proposed Conditional Use Permit and recommends to City Council approval of the proposed Conditional Use Permit, as conditioned and attached hereto.

PASSED AND ADOPTED by the Planning Commission this 20th day of September, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marco Lizzaraga Chairperson

ATTEST:

Cindy A. Norris, Principal Planner

Attachment 1 – Conditions of Approval

CONDITIONS OF APPROVAL

Epic Brothers Enterprises, Inc. – 1230 Harter Avenue, Suite J

1. The project is as described in the staff report prepared for the September 20, 2018, Planning Commission meeting and shall consist of administrative offices and distribution facilities within an existing 4,027-foot tenant space. The project shall be established and operated as depicted in the staff report, except as modified in these conditions of approval and with any changes necessary to comply with City codes and specifications.
2. The applicant shall defend, indemnify, and hold harmless the City of Woodland, its agents, officers or employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul an approval of the subject application by the City, its legislative body, advisory agencies or administrative officers. The City will promptly notify the applicant of any such claim, action or proceeding against the City and the applicant will either, at the City's discretion, undertake defense of the matter and pay the City's associated legal costs, or will advance funds to pay for defense of the matter by the City Attorney.
3. The applicant shall secure approval and satisfy requirements of all agencies with jurisdiction prior to operating the cannabis business.
4. The Conditional Use Permit shall not be issued until the appeal period has expired or final action on an appeal has been rendered.
5. The Conditional Use Permit must be exercised within one year of issuance, or it shall be deemed null and void by act of law (Section 25-27-70).
6. The project approval is for the project as described in the above staff report and related attachments, which depict the project's proposed map, site and floor plans, business plan, community relations plan, odor control plan, and energy efficiency plan. Should there be a change in the use or an intensification of the described use, the change shall be described and provided in writing to be evaluated by the Community Development Director to determine general consistency with the provisions of the use permit. The Director shall either approve the proposed changes based on a finding that the changes shall not result in significant traffic, noise, safety or security concerns or other potential nuisance to surrounding property owners or within public right-of-ways beyond that anticipated by the original approval, or, if these findings cannot be made, the Director shall make a determination that a Conditional Use Permit Modification is required, which shall include Planning Commission review including applicable processing and development fees.
7. Environmental Recording Fee. Applicant shall provide the Community Development Department with a check for the sum of \$50 made out to Yolo County to record the CEQA environmental document (Notice of Exemption) with the County.
8. The applicant shall comply with all state and local laws and ordinances, including the provisions of Chapter 13A of the Municipal Code and the requirement to secure a Cannabis Business Permit, including approval of an Operating Agreement, for each business entity operating at the location as part of the approved conditional use permit. The applicant shall obtain and maintain, prior to operation of the business and continuing at all times the business is in operation, a valid Cannabis Business Permit and all applicable state license(s). All requirements, terms and conditions of the Cannabis Business Permit, Operating Agreement, and applicable state license(s) shall be considered conditions of this conditional use permit. Failure to comply with all applicable state and local laws and ordinances, the Cannabis Business Permit, Operating Agreement, and/or applicable state license(s) shall be deemed a violation of the conditional use permit and may result in revocation of the use permit.

9. As set forth and agreed to in the Operating Agreement for each approved Cannabis Business Permit, the business/applicant shall pay a fee in the form and in the amount and manner agreed upon between the City and the business receiving a Cannabis Business Permit. If, during the term of the Operating Agreement, the city imposes an alternative revenue mechanism, specifically related to cannabis operations (e.g. cannabis tax), the business/applicant will pay the city the greater of the two payments, or as otherwise agreed by the City or mandated by law.
10. If the applicant wishes to relocate, significantly modify the approved site layout and allowed cannabis uses, the applicant shall secure a new conditional use permit, or modification to the existing conditional use permit prior to any modification or occupancy of the site by a new or modified use.
11. If the Community Development Director finds evidence that conditions of approval have not been fulfilled or that the use or uses has or have resulted in a substantial adverse effect on the health, and/or general welfare of users of adjacent property, or have a substantial adverse impact on public facilities or services, the Community Development Director may refer the Conditional Use Permit to the Planning Commission for further review. If, upon such review, the Commission finds that any of the results above have occurred, the Planning Commission shall recommend to the City Council to modify or revoke the Conditional Use Permit. If upon such review the City Council finds that any of the above results above have occurred, the City Council shall modify or revoke the Conditional Use Permit.
12. Upon receipt of a Cannabis Business Permit the applicant shall be subject to provisions relating to violations contained in Municipal Code Section 13A-1-09, as may be amended.
13. The applicant shall submit a final security plan for review and approval by the Police Department prior to operation and shall comply with requirements included in Section 13A-4-02, as may be amended.
14. The applicant's business shall not employ any juvenile, defined as under the age of 21, being employed.
15. No customers or sales shall occur at the facility.
16. All cannabis related activities shall take place in the interior of the building and any cannabis related activities outside the premises are strictly prohibited with the exception of the lawful receipt of raw cannabis materials received by the business and the delivery of finished lawful cannabis products to another lawful cannabis business, in accordance with all applicable state and local laws governing transportation of cannabis goods. There shall be no exterior storage of materials or equipment.
17. The main entrance to the facility shall be clearly identified with proper signage to include name of business and address. Main entrance shall also provide adequate lighting per the City Security Ordinance and lighting regulations.
18. Approved numbers or addresses shall be placed on all new and existing buildings in such a position as to be plainly visible and legible from the street or road fronting the property. Said numbers shall contrast with their background.
19. Applicant shall comply with the design requirements as stated in the Community Design Standards for any exterior changes, modifications, and additions to the subject building. All exterior changes beyond those stated in the original approval will require staff level design review.
20. The site shall be inspected and maintained daily to be clear of litter.

21. Any new signage, modifications or changes to the signage the applicant shall conform to the City Zoning Code and Sign Ordinance and shall comply with provisions of Section 13A-4-04 of the Municipal Code. Except as otherwise approved by the City in writing or by law, project signage shall include nothing in word or symbol, identifying the fact that the property is used for cannabis related activities.
22. No vehicle owned or operated by the business, or used for the transportation of product or individuals associated with the Facility shall include markings (in words or symbols) identifying the vehicle as a vehicle used for cannabis-related activities, unless otherwise required by law.
23. Photometric data shall be provided, and indicate that the parking area will be equipped with one (1) foot-candle of minimum maintained illumination per square foot of parking surface to include the entire paved area. The parking area shall be illuminated from dusk until the termination of business every operating day. Photometric data must also confirm the absent of "Hot Spots" or areas of ten (10) foot-candle of illumination per square foot or more.
24. All existing landscape planter areas shall be replanted and maintained per City Standards. Vegetative matter shall cover no less than 75% of the required landscape area unless otherwise approved by the Community Development Director. Maintenance shall include but is not limited to watering, fertilizing, weeding, cleaning, pruning, trimming, spraying and cultivation.
25. The applicant shall utilize building energy saving measures to reduce energy usage. The applicant shall submit a statement with the initial submittal of their building construction plans describing energy conserving measures that they will be implementing.
26. The applicant shall provide a minimum of two bike parking spaces for employees. Bike parking shall be provided in a safe a secure location.
27. Waste materials shall be appropriately handled. The applicant shall describe methods that will be used to make cannabis waste unusable and unrecognizable, and how cannabis waste will be stored prior to removal from the business. The applicant shall describe methods used to transport cannabis waste from the manufacturing site to a solid waste facility.
28. The applicant shall have an appropriate plan that considers all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation.
29. The applicant shall establish safety protocols that will be adopted, including, but not limited to: staff training, protective equipment, hazardous material handling, emergency communication/response protocols, etc. The applicant shall conform to all Cal OSHA workplace safety standards.
30. The applicant shall develop a quality control guidelines and standard operating procedures that are in strict adherence to MAUCRSA. The applicant shall establish quality control procedures to ensure that cannabis products are safe and suitable for human consumption and /or use. Quality control procedures will consider the proper handling and storage of raw materials, in-process materials, and finished product throughout the production process. Quality control procedures that will be used to ensure uniformity between each separately produced batch of cannabis product. This include equipment inspection and maintenance, internal controls for each step in the process, internal batch sampling and testing.
31. The applicant shall institute policies and procedures used by the business to help prevent contamination of any cannabis product. This will include hand washing, employee training, use of facemasks/gloves, prohibiting employees who are showing signs of illness, open wounds, sores or skin infections from handling cannabis, etc.

32. A toxic material control plan will be provided with the Cannabis Business Permit application that contains a description of all toxic, flammable, or other materials that will be used or kept at the cannabis business, the location of such materials, and how such materials will be stored. The toxic material control plan will include all materials regulated by a federal, state, or local government that would have authority over the business if it was not a cannabis business.
33. The distribution and transport facility shall provide a warehouse management system integrating inventory control tools with track and trace technology. The applicant shall provide routing software the cost control mechanisms to prevent diversion, shortages, and ensure product integrity and complete transparency throughout the process. Protocols for loading and unloading, storage, and transportation of cannabis products shall be provided.
34. Any distributor and/or testing laboratory shall comply with all requirements provided by the Bureau of Cannabis Control (Bureau) (www.bcc.ca.gov).

BUILDING

The following comments are from the City of Woodland Building Division and are applicable to the reference project:

35. This project must meet all criteria and mandates for these City adopted codes or the most current code:
 - a. 2016 California Building Code
 - b. 2016 California Plumbing Code
 - c. 2016 California Mechanical Code
 - d. 2016 California Electrical Code
 - e. 2016 Building Energy Efficiency Standards
 - f. 2016 California Green Building Code
 - g. The Code of the City of Woodland
36. The project will require engineered building plans for the proposed work to be plan reviewed and inspected to ensure safety. This would include compliance with California Building Codes (including the 2016 California Fire Code Chapter 38 in the July 1st, 2018 Supplement, Plant Processing and Extraction Facilities) and applicable NFPA standards.
37. Other City and County Agencies (Health, Fire, Public Works, and Planning) are be required to approve the project prior to a building permit being issued.
38. A licensed architect or licensed engineer shall be responsible for reviewing and coordinating all submittal documents prepared by others, including deferred submittal items, for compatibility with the design of the building.
39. The project will provide a final odor control plan for review and approval prior to issuance of building permits.

FIRE

40. One-hour separation wall shall be inspected for integrity and conformance to original installation standards. Inspection shall be performed on both sides of the rated wall.
41. Exit doors shall be provided with panic hardware. Exit doors shall swing in the direction of egress travel.
42. Provide exit signs and emergency means of egress illumination.

43. Prior to final occupancy, provide confirmation from a licensed professional (fire protection engineer) indicating the existing fire sprinkler system adequately provides the level of protection required for the specific operation and associated hazardous materials involved.

ENVIRONMENTAL SERVICES

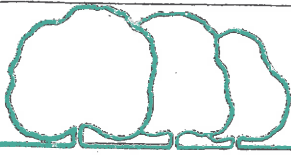
44. Management of Waste

- a. If the waste generated from the cannabis facility contains green byproduct, meaning that it contains buds or that the byproduct can still be used for the making of oils or the like, then the materials must be serviced as waste (trash). Yolo County Central Landfill requires these loads to obtain a certificate of destruction with each disposal.
- b. If the waste generated is brown and does not contain buds or usable byproduct, then the materials should be hauled as organic waste, which will be composted and considered diverted materials. If loads taken to the Yolo County Central Landfill contain any green byproduct, they will be processed as waste and will require a certification of destruction.
- c. Any hazardous waste materials generated (i.e. solvents, pesticides, chemicals, lamp ballasts, canisters/cylinders, personal protection equipment with residual, etc.) must be disposed of through a hazardous waste facility. Yolo County Central Landfill accepts commercial hazardous waste through their Conditionally Exempt Small Quantity Generator (CESQG) business program.
- d. Recycling (cardboard, paper, and plastic, glass, or metal containers) is also required and should be separated from any waste or organics recycling loads.
- e. Materials may be self-hauled to a waste or compost facility by the business in which the materials were generated. If self-hauled to the Yolo County Central Landfill, the above disposal procedures will be in effect.
- f. If the materials are not self-hauled, Waste Management is the exclusive waste, recycling and organics recycling hauler for Woodland and must be used for disposal services. The business may not pay another company besides Waste Management to haul waste, recyclables, or organic materials.
- g. The types of services, collection frequency, and bin sizes for waste and/or organics recycling services should be determined through Waste Management upon an assessment of the facility and types of materials generated.
- h. Depending on the amount of materials generated, all waste generated from the facility should be removed from the premise no less than one time per week.
- i. The City of Woodland, its residents and businesses have an obligation to meet state-mandated waste diversion requirements and requests that businesses make the highest effort possible to divert their waste through recycling or composting (organics recycling). Waste generated by a business should be processed in a manner that meet the landfill's requirements for acceptance as organic waste/composting.
- j. Bins (dumpsters), roll-offs (debris boxes), or trailers used to collect materials must be stationed in an area not generally accessible to the public. Bins should be padlocked, located inside of the business to deter scavenging.

POLICE

45. Site plans and floor plans shall be completed to the satisfaction of the Police Department CPTED requirements prior to issuance of building permits.
46. Exterior lighting shall be white light using LED lamps with full cutoff fixtures to limit glare and light trespass. Color temperature should be between 2700K and 4200K with a color rendering index of 75 or better and a light loss factor of 0.95 or better. All existing exterior fixtures shall be replaced with fixtures that meet this requirement.
47. Broken or damaged exterior lighting shall be repaired or replaced within 48 hours of being noted.
48. Exterior lighting shall be shielded or otherwise designed to avoid spill-over illumination to adjacent streets and properties.
49. Tree canopies shall not interfere with or block lighting. This creates shadows and areas of concealment. The landscaping plan shall allow for proper illumination and visibility regarding lighting and surveillance cameras through the maturity of trees and shrubs.
50. All solid core doors shall be equipped with a 180 degree viewing device to screen persons before allowing entry.
51. The business shall be equipped with and maintain a security system with an alarm system with a valid UL Certificate in accordance with ANSI/UL Standard 681-2014 (Standard for Installation and Classification of Burglar and Holdup Alarm), Extent No 3; and a Video Assessment and Surveillance System (VASS).
52. A hold up alarm shall be employed near the transport area, lobby, employee entrance and safe(s).
53. Burglar alarms shall cause the dispatch of a properly licensed private patrol.
54. Hold up alarms shall cause the dispatch of the Woodland Police Department.
55. The Security system shall be equipped with at least 24 hours of continued operation time in case of power failure.
56. The Security system shall be equipped with cellular backup in case of phone line disruption.
57. The facility shall be staffed at all times that the security system is not fully functional.
58. A log shall be maintained that shows when the alarm system was armed and disarmed, and by whom.
59. VASS storage shall be kept off-site or in a secured area accessible only to management.
60. VASS shall be capable of no less than 30-days worth of activity and shall provide comprehensive coverage of: safe, areas of ingress and egress, parking lot, loading areas, areas not clearly visible from public streets, and coverage of all exterior areas of the building.

61. Monitors displaying the employee parking area shall be mounted in a visible location near the door from which employees will arrive and depart so that employees may monitor the outside environment prior to departing the facility.
62. The applicant is responsible for reasonably controlling the conduct of persons of the site and shall immediately disperse loiterers.
63. Applicant shall install a “Knox Box” for police access of the exterior areas of the property after hours.



City of Woodland

Community Development Department

300 First St, Woodland CA 95695
(530) 661-5820 Fax (530) 406-0832
www.cityofwoodland.org

General Application Form

1. Owner/Applicant

PROPERTY OWNER:
Ethan Conrad Properties

PROJECT APPLICANT
Epic Bros Enterprises, Inc

MAILING ADDRESS:
1300 National Drive Suite 100

MAILING ADDRESS:
1230 Harter Avenue Suite J

CITY STATE ZIP CODE:
Sacramento, CA 95834

CITY STATE ZIP CODE:
Woodland, CA 95776

PHONE NUMBER:
916-779-1000

PHONE NUMBER:
925-785-4950

E-MAIL ADDRESS:
ethan@ethanconradprop.com

E-MAIL ADDRESS:
bejfara@hotmail.com

2. Application Requested

- | | | |
|--|--|---|
| ☐ General Plan Petition | ☐ Zoning Amendment | ☐ General Plan Amendment |
| ☐ Tentative Subdivision Map | ☐ Tentative Parcel Map | ☐ Lot Line Adjustment |
| ☐ Site Plan Review | ☐ Design Review | ☐ Sign Design Review |
| ☐ Conditional Use Permit (CUP) | ☐ Zoning Administrator Permit | ☐ Variance |
| ☐ Public Convenience or Necessity | ☒ Other _____ | |

Is this request part of another application? ☐ Yes ☒ No If so, what? Commercial Cannabis CUP

3. Project Description

Project Name:

Epic Bros Enterprises

Site address or location:

1230 Harter Avenue Suite J Woodland, CA

Total Acres or Square Feet

3,776

Assessor's Parcel Number:

027-420-023-000

Is Your Project Located in a Flood Zone?

☐ Yes

☒ No

Does this request include signage?

☐ Yes

☐ No

4. Justification for Request



On a separate sheet, explain in detail your request and why you believe your request is justified.

5. General Plan Amendment

Existing General Plan Designation
N/A

Gross Acres
N/A

Proposed General Plan Designation
N/A

Gross Acres
N/A

6. Zoning Amendment

Existing Land Use Zone
N/A

Gross Acres
N/A

Proposed Land Use Zone
N/A

Gross Acres
N/A

7. Residential Development

No. of residential units are being requested? N/A

No. of lots will be created by this project? N/A

Single Family _____ Half-plex _____

Do you intend to market the units for sale?

Duplex _____ Apartments _____

☐ YES ☐ No

Condominiums _____ Other _____

Do you intend to market the units for rent?

Townhomes _____ Total Units _____

☐ YES ☐ No

8. Commercial/Industrial Development

Indicate the type of commercial/industrial
development proposed:

Commercial Cannabis Type 11 Distributi

Indicate the gross and leasable square footage for
each type of development:

3,776 sqft

9. Authority to File Application

Check one:



Property Ownership



Power of Attorney*



Contract to Purchase*



Other

Specify _____

* Attach Evidence of Authority

I hereby certify that the above information and accompanying documents are true and accurate to the best of my knowledge and acknowledge that the processing of this application may require additional fees and expenses for the preparation of necessary environmental documentation and planning studies. I certify that I have reviewed the current Hazardous Waste and Substances Site List, developed pursuant to AB 3750, and found that my project is not on the list.

APPLICATION WILL NOT BE ACCEPTED WITHOUT
SIGNATURE OF LEGAL OWNER OR OFFICIAL AGENT

Applicant: _____

8/7/18
Date

Legal Owner: _____

8/7/18
Date

Legal Owner: _____

Date

DEPARTMENT USE ONLY

Amount Paid: 15,000

Project No: PL NG-18-00069

Amount Due: _____

Logged by: Laura Quintana Date: 8/8/18

GP / Zoning Designation: _____

Planner: Cindy Norris Date: _____



LETTER OF AGENCY

If the applicant is not the owner of record of the subject site, a Letter of Agency from the owner, or the owner's authorized representative must be submitted which grants the applicant permission to apply for the requested entitlements(s). The Letter of Agency must be notarized.

Date: 7-16-18

To: City of Woodland
Community Development Department
300 First Street
Woodland, CA 95695

Community Development Department:

I, the undersigned legal owner of record, hereby grant permission to:

Applicant: Bejan Fakahbakhsh c/o Epic Bios Enterprises Phone: 925-785-4950

Applicant's Address: 1230 Harter Ave Ste J Woodland CA 95776

To apply for the entitlement(s) listed below

☐ General Plan Amendment	☐ Zoning Amendment	☐ Tentative Subdivision Map
☐ Tentative Parcel Map	☐ Specific Plan Amendment	☐ Lot Line Adjustment
☐ Variance	☐ Conditional Use Permit	☐ Planned Development
☐ Site Plan Review	☐ Design Review	☐ Zoning Administrator Permit
☐ Specific Plan	☐ Cannabis Business Permit	☐ Cannabis Conditional Use Permit
Is this request part of another application? Yes ☐ No ☐	Other:	

The subject property is located at: 1230 Harter Ave, Ste J; Woodland, CA 95776

Assessors Parcel Number: 027-420-023-000

x

Signature of Owner(s) of Record (must be an original signature)

Ethan Conrad

Print Legal Owner(s) of Record Name

1300 National Drive, Ste 100; Sacto, CA 95834 Phone: 916.779.1000

Address of Legal Owner (attach title report)

E-mail Owner(s) of Record: ethan@ethanconradprop.com

CANNABIS BUSINESS PERMIT APPLICATION

OWNER'S STATEMENT OF CONSENT

If the applicant is not the owner of record of the subject site, the following Statement of Consent must be completed by the owner or the owner's authorized representative, granting the applicant permission to apply for a cannabis business permit. This form must be notarized.

To: City of Woodland

Community Development Department

300 1st Street

Woodland, CA

I, the undersigned legal owner of record, hereby grant permission to:

Applicant: Epic Bros Enterprises, Inc

Phone: 925-785-4950

Mailing Address: 1230 Harter Avenue Suite J Woodland, CA 95776

to operate a cannabis business on the property described below.

The subject property is located at: 1230 Harter Avenue Suite J Woodland, CA 95776

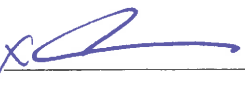
Assessor's Parcel Number: 027-420-023-000

Printed Name of Owner of Record: Ethan Conrad

Address of Owner of Record: 1300 National Drive Suite 100 Sacramento CA 95834

Phone: 916-779-1000

Email address: ethan@ethanconradprop.com

Signature of Owner of Record:  Date: 7-16-18

"A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document."

STATE OF California)SS
COUNTY OF Sacramento)

On _____, before me, Kathryn Jones Faires, Notary Public, personally appeared Ethan Conrad, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Kathryn Jones Faires



RECORDING REQUESTED BY
Blaine Laney
Chief Lending Officer
Bank of Guam
404 Montgomery Street
San Francisco, CA 94104

NOV 01 2014



YOLO Recorder's Office
Freddie Oakley, County Recorder
DOC- 2014-0022675-00

Check Number 32825

REQD BY BANK OF GUAM

Monday, OCT 06, 2014 11:00:00

Ttl Pd \$27.00 Rpt # 0001114109

EF5/X7/1-2

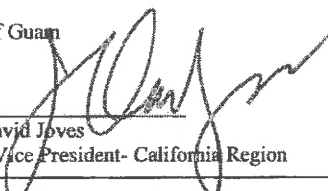
AND WHEN RECORDED MAIL TO
ETHAN G. CONRAD
1300 National Drive, Suite 100
Sacramento, CA 95834-1981

DEED OF RECONVEYANCE

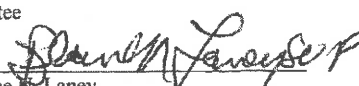
Whereas, the indebtedness secured by that certain Deed of Trust executed among **ETHAN CONRAD, a Unmarried Man**, whose address is **1300 National Drive, Suite 100, Sacramento, CA 95834-1981** as Trustor, dated **APRIL 24, 2013** and recorded **APRIL 29, 2013** in the office of the Recorder of **YOLO COUNTY, State of California, Document No. 2013-0013882-00**, of Official Records pursuant to the written request of the beneficiary, does hereby grant and reconvey, without warranty express or implied as to the title, possession or encumbrance, to the person or persons legally entitled thereto, all the right, title and interest derived by the undersigned, pursuant to said Deed of Trust, in and to which reference is made for a description of the same. ****SEE LEGAL DESCRIPTION EXHIBIT "A" ATTACHED****

In Witness whereof, the undersigned, as such Trustee, has executed this Deed of Reconveyance on **SEPTEMBER 26, 2014**

Bank of Guam
Trustee

By 
John David Joves
Senior Vice President- California Region

Bank of Guam
Trustee

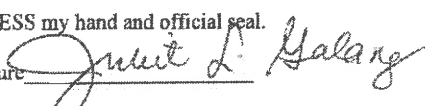
By: 
Blaine R. Laney
Senior Vice President-Credit Officer

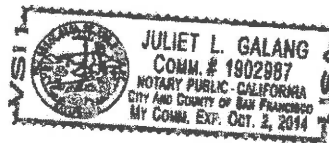
State of California
County of San Francisco

On September 26, 2014 before me, the undersigned, Juliet L. Galang, a Notary Public in and for said State, personally appeared Blaine Laney and John David Joves who proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 
Name Juliet L. Galang
(typed or printed)



(2)

Exhibit "A"

Legal Description

Real property in the **City of Woodland, County of Yolo**, State of California, described as follows:

PARCEL ONE:

LOT 4, SUBDIVISION NO. 2260, VENTURAY PARK, WEST, FILED JUNE 26, 1973, IN BOOK 8 OF MAPS, PAGES 85 AND 86, YOLO COUNTY RECORDS.

PARCEL TWO:

PARCELS 1 AND 2, PARCEL MAP NO. 3125, FILED JANUARY 15, 1982, IN BOOK 6 OF PARCEL MAPS, PAGE 46, YOLO COUNTY RECORDS.

APN: 027-420-007-000 and 027-420-026-000 and 027-420-023-000

END OF DOCUMENT

END OF DOCUMENT

2 to

EPIC BROS ENTERPRISES, INC
1230 Harter Avenue Suite J
Woodland, CA 95776

Applicant Narrative/ Justification

Preamble. Epic Bros Enterprises, Inc (hereinafter referred to as “Applicant”) is pleased to present our Commercial Cannabis Application Package to the City of Woodland’s Community Development Department for Type 11 Medical and Adult Commercial Cannabis Distribution.

Applicant recognized the need for strict adherence to legal guidelines and requirements as outlined by the City of Woodland, the State of California as well as other relevant stakeholders. Our team of qualified business professional looks forward to working with all necessary agencies and authorities having jurisdiction to ensure compliance with all requirements. We believe that we are offering a comprehensive solution that can help satisfy the growing demand for cannabis in a safe and clean manner, while being a good member to the community and contributing in a significant way to the local economy.

Summary of Proposed Location. Applicant is proposing their project to be located at 1230 Harter Avenue in the City of Woodland in suite J within the proposed building. Property is zoned as M1 in the City of Woodland with an immediate access to I-5 freeway. The building has 120/208 and 277/480 Volts with a 3-phase power and natural gas service available. The boundaries of the property are greater than 600 feet from any K-12 school, commercial daycare center and youth center, and are greater than 600 feet of any residences of libraries on a neighboring property.

The existing facility needs only minor modifications. The facility currently has two roll up doors, a secured fenced in yard for secure intake, an office space and warehouse area. Applicant is planning to construct a secured two-point access to lobby area and to warehouse space that will not be accessible to public unless authorized and escorted by Applicant and to City/State officials for inspections. Applicant shall seal off non-functional roll-up door that is not secured by a fence; In addition, Applicant is proposing to construct a quarantine area to hold cannabis products for testing purposes, security vault and packaging area for flower products. The facility will also have a sufficient break room and ADA complaint restroom for Applicant’s staff and employees. ✓

Project Size. The project itself occupies 3,776 sqft of warehouse space, 251 sqft of office space and a fenced/paved yard as a portion of a 42,241 total sqft of an industrial/manufacturing building. Warehouse clear height is 19’ with fire sprinklers, heavy parking and natural gas service.

Facility Advantages. The following are advantages of the facility at 1230 Harter Ave, Suite J:

- Located in a concealed location that is not immediately visible
- Warehouse space with sufficient power
- Sufficient yard and indoor intake space for secure intake/output area
- Facility comes with fire sprinklers
- Full ADA Compliance with no additional modification requirements
- Facility will not impact the peace, order, or welfare of the local community

Additional Advantages.

Applicant ensured that surrounding neighborhood businesses are aware of applicant's intentions of establishing a cannabis distribution business. Letters were sent out August 2nd, 2018 to inform all neighbors of Applicant's business intentions. ✓

Addressing Negative Effects on the Community. Applicant recognizes City's concerns surrounding commercial cannabis businesses. Pursuant to both City of Woodland ordinance, California State's regulations and reasonable good neighbor policies, our operation will include the following:

Security. Our facility will employ a comprehensive security plan mandated by ordinance which includes security patrols, use of security cameras, and strategic placement of lighting that will deter crime in the area. **Please see Security Plan.**

Odor Control. Our facility will have a comprehensive odor control system which will make odors typically associated with cannabis undetectable. **Please see Odor Control Plan.**

Cross Contamination. Our facility is subject to strict guidelines under local and State's regulations. It requires us to establish and implement written distribution operation procedures to ensure that all of our product handling is conducted properly. Our operations shall be conducted under conditions and controls that are necessary to eliminate contamination that could potentially affect our product and other surrounding businesses' production.

Community Benefits. A critical component to our operating model is deeply rooted in good stewardship to our community and the populations we serve. Applicant intends to engage in a responsibility agreement with the City of Woodland to remit \$48,280 annually to City of Woodland, for the purpose of mitigating any adverse impacts the facility might have on our neighborhood. Second, a well-run distribution business does much more for a dispensary and its patients and customers than merely providing access to cannabis. Our vision includes fostering a sense of community among our neighbors to build stronger, healthier populations. Our organization is committed to creating a community-based entity to support the needs of dispensaries, their customers and patients, and improve our community by creating more jobs for residents. —

Applicant believes that this facility is a great choice for this type of business and will enhance the local neighborhood, providing added security, economic viability, and responsible partnerships.

EPIC BROS ENTERPRISES, INC

1230 Harter Avenue Suite J
Woodland, CA 95776

Statement of Proposed Use

Applicant is applying for a Distribution Type 11 medicinal and adult-use cannabis license. Distribution, as defined in City of Woodland's Ordinance No. 1629 is defined as any facility (business) engaged in the procurement, temporary storage, non-retail sales, and transport of cannabis or cannabis products between state-licensed cannabis business, including warehouses and similar structures.

I. Number of People Involved.

- A. **Owners:** Epic Bros Enterprises, Inc ("EBE") has total of 4 owner/members. Detailed biographies and qualifications of each individual is described in "**Business Plan**". Each member of EBE is dedicating 100% of their skills to proposed project in order to become fully compliant, prosperous and bring in community benefits to City of Woodland and its surrounding areas. All owners have extensive knowledge in the corporate business environment, specifically in the oil industry, as well as the commercial cannabis industry. All of the owners are also undergoing intensive industry training and knowledge acquirement through networking, joining various associations and consistently monitoring updates on the cannabis market.
- B. **Employees:** EBE is consulting with third party industry professionals and in the process of interviewing and finalizing hire packets for local residents and qualified individuals to become part of EBE's team. By January 1st, 2019 EBE plans on initiating a CEO, CFO, COO and CCO positions that are being held by each owner, an administrative assistant and an operations manager. As the project develops and grows, EBE shall initiate additional staff as the business model develops further.
- C. **Characteristics of the surrounding area:** The business is located within an area surrounded by like kind of businesses that are typical of a light industrial area. Cabinet shops, distribution businesses, bakeries, and small manufacturing companies are the types of operations that are found in the general area. Given the fact that this location is near the freeway you'll find businesses that move and distribute their products throughout all of central California and the majority of these operations are housed in buildings that are 20,000 sq ft or less and have numerous points of entry allowing for small to medium sized trucks to load and unload. The area sees very little foot traffic and does not appear to have much retail presence. Most of the nearby businesses tend to be service providers or in the wholesale side of their respective industries. As a typical light industrial neighborhood one will see very few sidewalks, a great deal of blacktop, and lots of parking areas for workers. Much of the parking areas have shade trees to break up the monotony of the black top and there is some vegetation that was strategically planted when most of the newer buildings were created.
- D. **Hours of Operation:** The operation will not be open to the public at any time. Regular business hours shall be between 6am and 10pm. Only authorized staff, local and state officials will be allowed to enter the premises. We will have between 3 and 8 employees on site and in route for transportation at any given time and run up to 2 eight hour shifts per day. Shifts are scheduled so that there is parking sufficient for all employees at all times even if there is overlap in staff times. ✓

E. Type of vehicular traffic and deliveries: Cannabis products will be safely and securely transported from and to the facility in unmarked vehicles (██████████). Outbound and inbound transport will occur only within the building itself through the secure roll up door. Our hours for receipt of delivery will be between 6AM-9PM Noon M-F. Anticipated deliveries are as follows:

- Plant material for quarantine, testing and temporary storage purposes (3-5 times per day).
- Flower material for quarantine, testing and temporary storage purposes (5-8 times per day)
- Finished manufactured cannabis goods for quarantine, testing and temporary storage purposes (5-8 times per day)
- General and office supplies (1 time per week via UPS or USPS van/truck, amounts will be commensurate with the usual office supply deliveries for a business.

F. Distribution Center. Applicant is proposing to have a distribution center that will provide the following services:

○ **Storage-Only Services**

Applicant shall provide cannabis goods storage-only services to a licensed cultivator, manufacturer, microbusiness, nonprofit, or another distributor, unrelated to the quality assurance and laboratory testing processes.

○ **Sale to Retailer**

After final product has been properly tested and certified, Applicant shall transport finished retail-ready product to a licensed retailer and/or non-storefront delivery licensee.

○ **Purchase/Sale/Transfer to Another Distributor**

Applicant will sell or transfer cannabis or cannabis products to another licensed distributor instead of to a cannabis retailer. In the event that APPLICANT sells or transfers the cannabis or cannabis products to the retailer, buyer distributor shall become responsible for collecting the cannabis excise tax from the retailer and reporting and paying it to the CDTFA.

○ **Storage of Batches for Testing Services**

Applicant shall store cannabis products separately and distinctly from other cannabis goods batches on the premises. By labeling with the following information that will be physically attached to each container of each batch:

- The manufacturer or cultivator's name and license number, who provided the batch

- The date of entry into the distributor's storage area;
- The unique identifiers and batch number associated with the batch;
- A description of the cannabis goods with enough detail to easily identify the batch;
- The weight of or quantity of units in the batch; and
- The best-by, sell-by, or expiration date of the batch, if any.

○ **Packaging and Labeling Service**

Applicant will package only flower cannabis products and shall re-package, label, and re-label manufactured and non-manufactured cannabis for retail sale.

In the event that during laboratory testing that a manufactured with the incorrect amount of THC per package or serving but is within the THC limits for sale, upon customer's request, Applicant shall re-label the package with the accurate THC amount.

○ **Transportation Services**

Applicant offers a transportation service to a licensed cultivator to transport cultivator's product to a distribution facility for quarantine and storage; transport finished and tested product to retailer's facilities.

Applicant offers a transportation service to manufacturers to transport bulk manufactured cannabis products to another manufacturer for packaging purposes as well as transport finished, packaged manufactured products to a distribution facility for quarantine and storage; transport finished and tested product to retailer's facilities.

○ **Testing Arrangements Service**

After taking physical possession of a cannabis goods batch, APPLICANT will contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing.

○ **Sales Service**

Applicant shall provide a sales service to licensed cultivators and manufacturers for their products and secure shelf space at a retail and non-store-front dispensaries throughout the State of California.

○ **Quality-Assurance Review Service**

Upon receipt of certificate of analysis stating that the sample meets specifications required by

law, the distributor shall ensure the following before transporting the cannabis goods to one or more retailers:

- The certificate of analysis Applicant received from the testing laboratory is the certificate of analysis that corresponds to the batch;
- The label on the cannabis goods is consistent with the certificate of analysis regarding cannabinoid content and contaminants required to be listed by law;
- The packaging complies with applicable packaging laws/
- The packaging is tamper evident.
- The weight or count of the cannabis batch comports with that in the track and trace system.
- Applicant shall use scales as required; and
- All events up to this point have been entered into the track and trace system.

○ **Collection and Payment of CA State Cultivation Taxes**

- Applicant shall Collect the cannabis cultivation tax from cultivators and manufacturers from which we will receive cannabis and/or cannabis products.
- Applicant shall collect the cannabis excise tax from cannabis retailers we supply (sell and/or transport) with cannabis and/or cannabis products.
- Applicant shall provide an invoice or receipt to the businesses from which we collect the cultivation tax and the cannabis excise tax and electronically file *both* of the sales and use tax and cannabis tax returns and pay the amounts due to the CDTFA.
- As a cannabis distributor, we are responsible for collecting the cannabis 15% excise tax from the cannabis retailers that we supply (sell and/or transport) with cannabis and/or cannabis products.

G. General and outdoor activities: No cultivation, production, distribution, storage, display, or wholesale of cannabis products shall be visible from the exterior of the building where the Commercial Cannabis activity is being conducted. There will be no outdoor activities outside of the premises.

H. Odors, noise, dust or glare: Odors shall be contained on the property on which the Cannabis activity is located, no dust or glare will be involved with the Commercial Cannabis activity. Existing requirements applicable to the food and drug products (US Food and Drug Administration [USFDA] regulations, 21 Code of Federal Regulations [C.F.R.] Part 111 and Part 117) are not applicable to cannabis products. However, because many cannabis products are intended to be consumed, the need to ensure the safety and integrity of the manufacturing process is still present. Using its experience with oversight of food and drug manufacturing, our Commercial Cannabis activities are subject to regulations to include substantively similar requirements to ensure sanitary manufacturing practices. Such practices will eliminate odors, and dust. EBE does not anticipate any noise or glare that shall be visible and detectible outside of the premises.

Page 106

EPIC BROS
ENTERPRISES, INC.

1230 HARTER AVE.,
SUITE J
WOODLAND, CA 95776

PREPARED BY:
STACEY HALL
C-31704

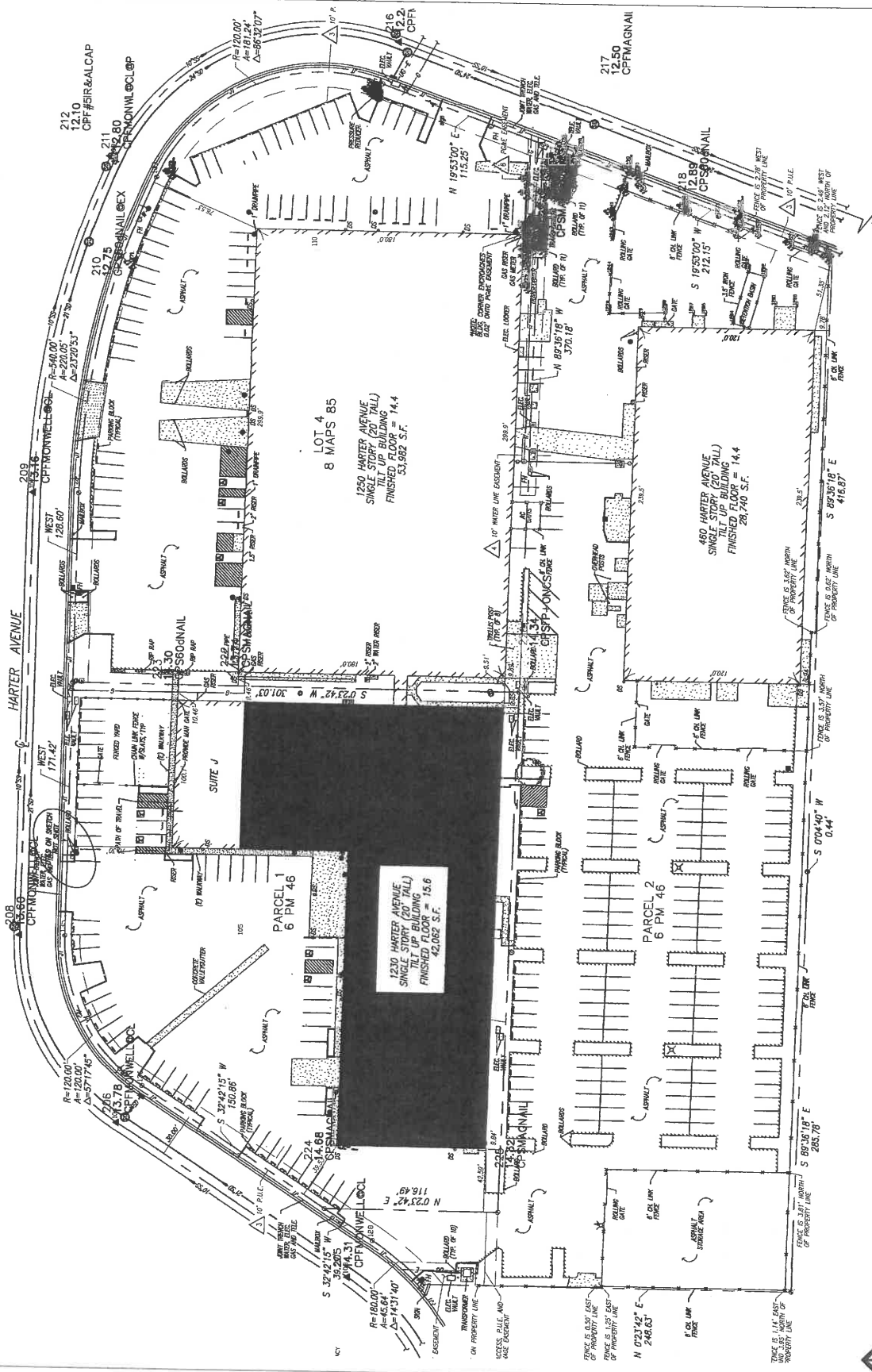
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SITE PLAN

PAGE: A1.1A

DATE:

AUGUST 6, 2018

CUP
SUBMITTAL
DRAWINGS



1
A1.1A SITE PLAN
1" = 30'-0"

EPIC BROS
ENTERPRISES, INC.

1230 HARTER AVE.
SUITE J
WOODLAND, CA 95776

PREPARED BY:
STACEY HALL
C-31704

DRAWING:
CONTEXT PHOTOS

PAGE: A1.2A

DATE:
AUGUST 6, 2018

CJP
SUBMITTAL
DRAWINGS



PHOTO KEY MAP - BUILDING

SCALE: NOT TO SCALE



PHOTO 7

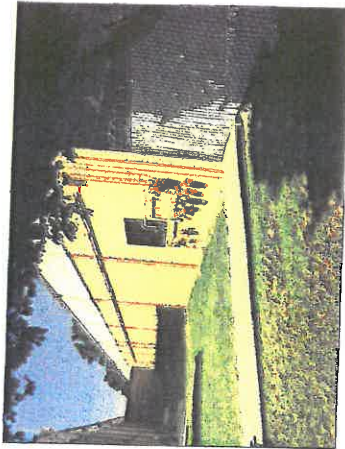


PHOTO 2



PHOTO 4



PHOTO 6



PHOTO 1

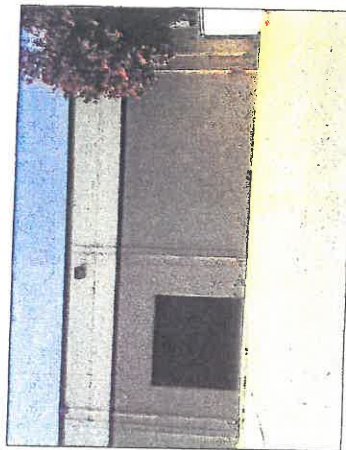


PHOTO 3



PHOTO 5

**EPIC BROS
ENTERPRISES, INC.**

1280 HARTER AVE.
SUITE J
WOODLAND, CA 95776

PREPARED BY:
STACEY HALL
C-31704

DRAWING:
EXISTING FLOOR PLAN
SUITE J

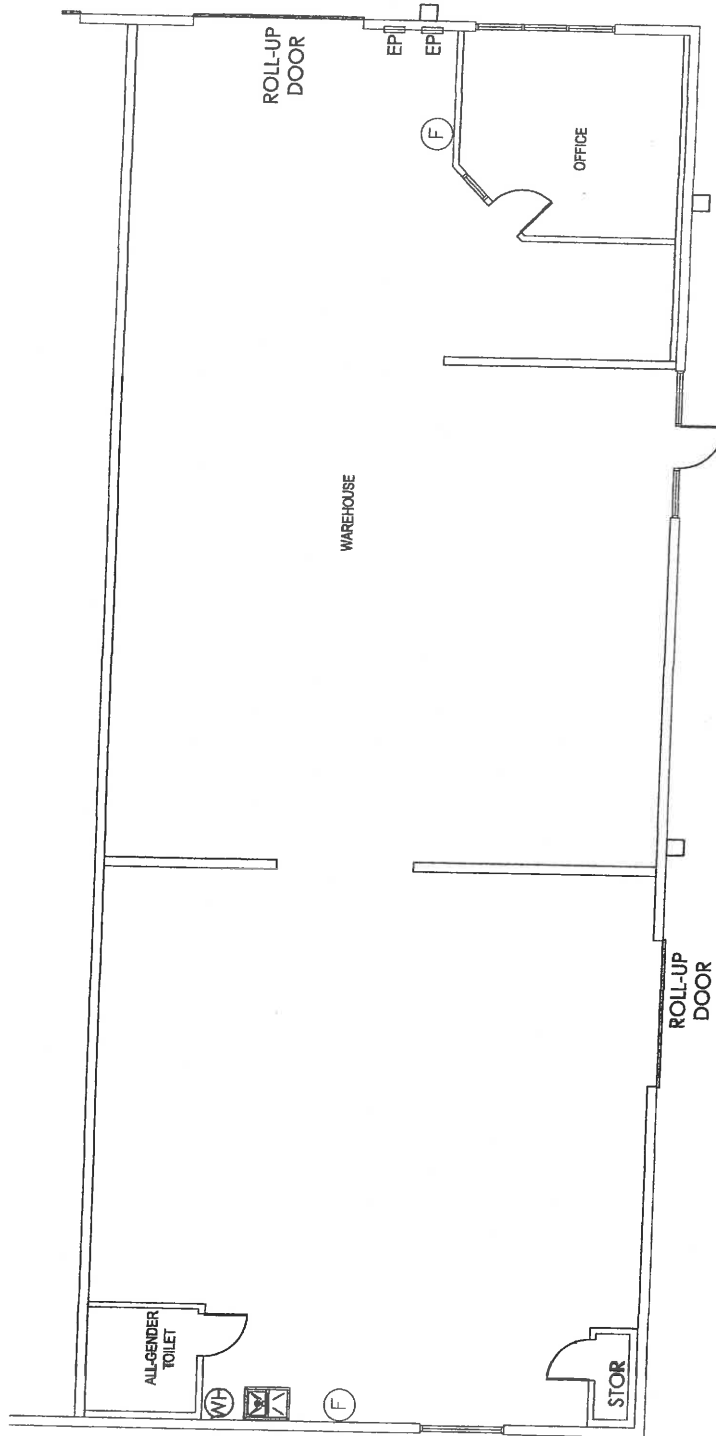
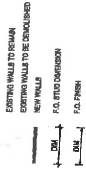
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DATE:
AUGUST 6, 2018

SCALE:
1" = 1'-0"

CUP
SUBMITTAL
DRAWINGS

WALL LEGEND



EXISTING FLOOR PLAN
SCALE: 1" = 1'-0"

EPIC BROS
ENTERPRISES, INC.

1230 HARTER AVE.
SUITE J
WOODLAND, CA 95776

PREPARED BY:
STACEY HALL
C-31704

DRAWING:
PROPOSED FLOOR PLAN
SUITE J

PAGE: A3.1A

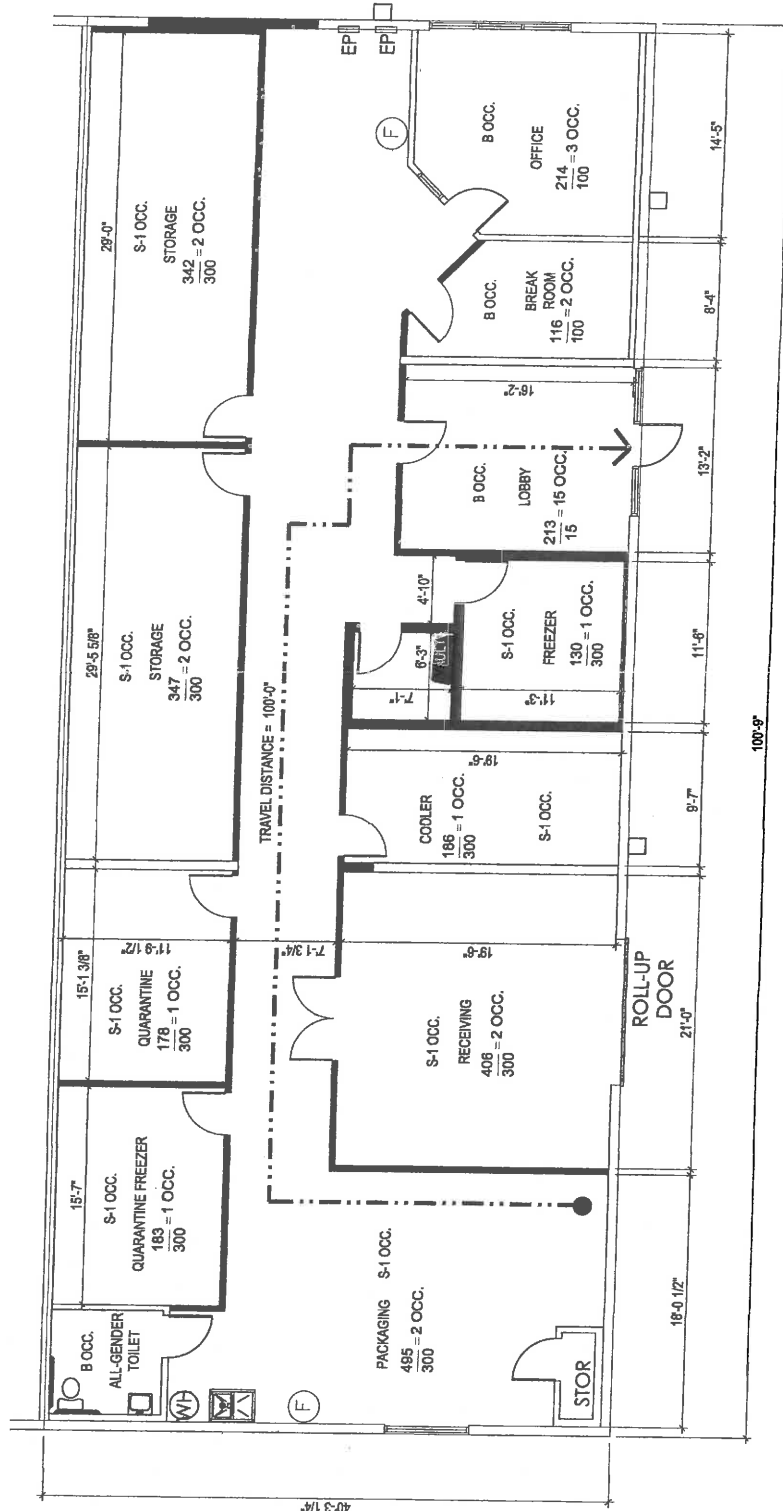
DATE:
AUGUST 6, 2018

SCALE:
1" = 1'-0"

CUP
SUBMITTAL
DRAWINGS

WALL LEGEND

EXISTING WALLS TO REMAIN
NEW WALLS
F.A. RETO DEMOLITION
F.A. FINISH



PROPOSED FLOOR PLAN

1
A3.1A
SCALE: 1" = 1'-0"

EPIC BROS
ENTERPRISES, INC.

1230 HARTER AVE.
SUITE J
WOODLAND, CA 95776

PREPARED BY:
STACEY HALL
C-31704

DRAWING:
ROOF PLAN

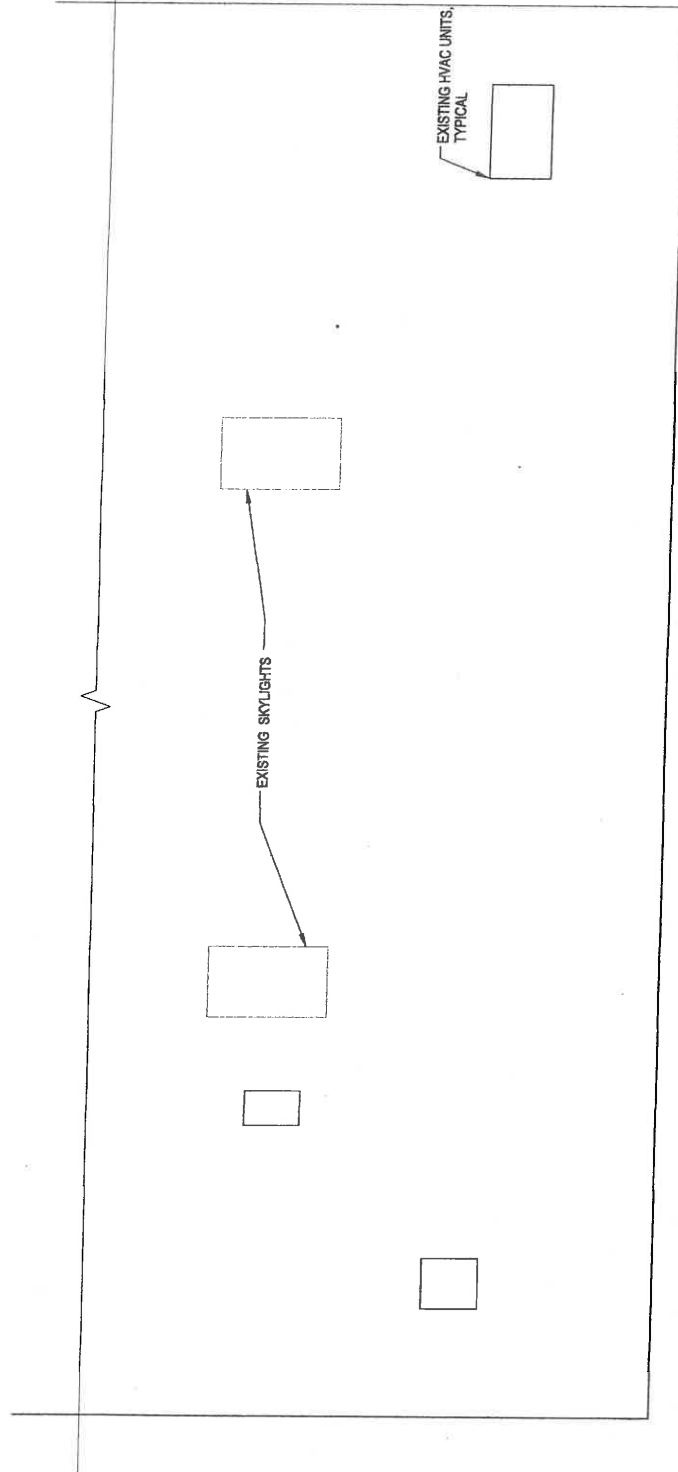
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DATE:
AUGUST 6, 2018

SCALE:

1" = 1'-0"

CUP
SUBMITTAL
DRAWINGS



1
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EXISTING ROOF PLAN
SCALE: 1" = 1'-0"



EPIC BROS
ENTERPRISES, INC.

1230 HARTER AVE.
SUITE J
WOODLAND, CA 95776

PREPARED BY:
STACEY HALL
C-31704

DRAWING:
EXTERIOR
ELEVATIONS

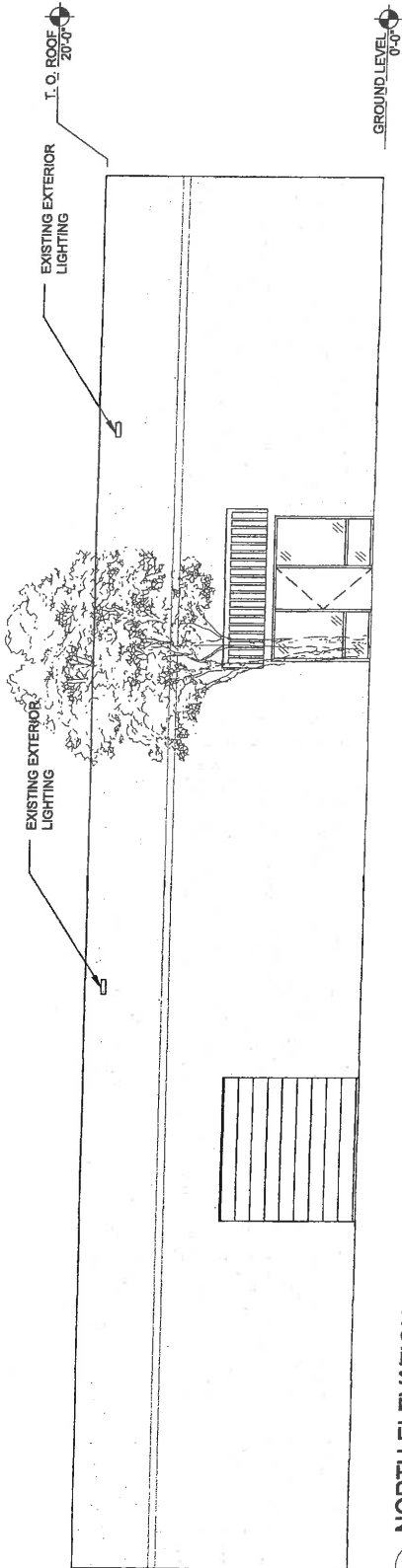
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AUGUST 6, 2018

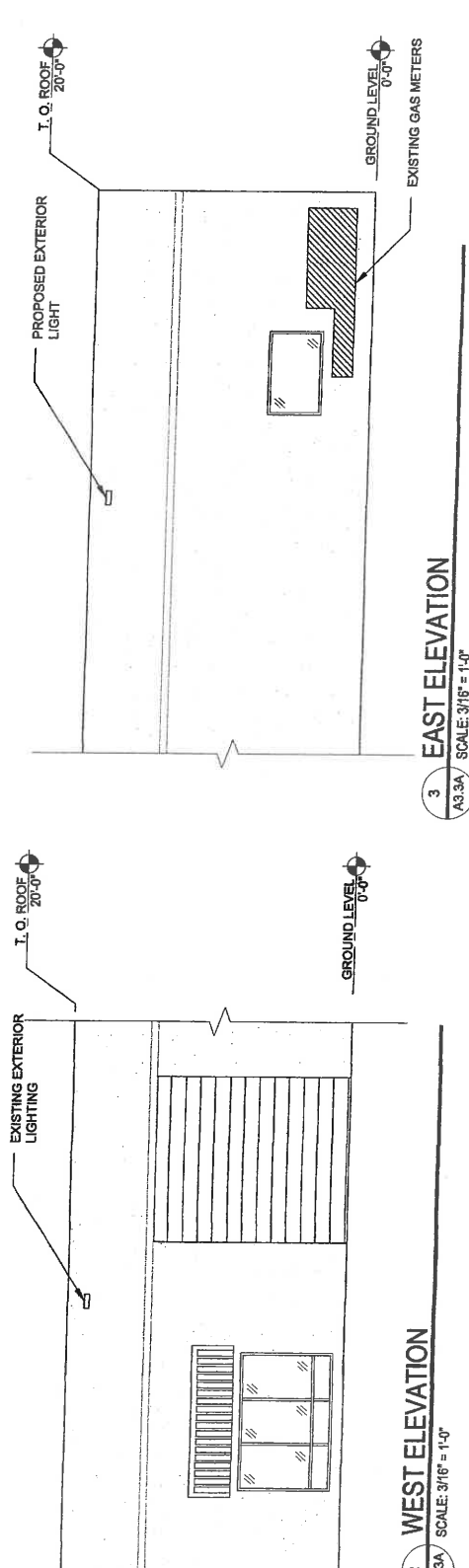
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CUP
SUBMITTAL
DRAWINGS



1 NORTH ELEVATION
A3.3A SCALE: 3/16" = 1'-0"



2 WEST ELEVATION
A3.3A SCALE: 3/16" = 1'-0"

3 EAST ELEVATION
A3.3A SCALE: 3/16" = 1'-0"

[illegible]

Statistics					
Description	Symbol	Avg	Max	Min	Max/Min Avg/Min
Calc Zone #3	+	1.7 ft	3.1 ft	0.5 ft	6.2:1 3.4:1

[illegible]









EPIC BROS ENTERPRISES, INC

1230 Harter Avenue Suite J

Woodland, CA 95776

Business Plan

I. MISSION STATEMENT

To widely provide the highest quality of distribution services for other state licensed commercial cannabis licensees that are in the medicinal and recreational markets. To collaborate with local growers and manufacturers to transport, quality check and test their products and ensure their products' full compliance. To also ensure full compliance of day-to-day operations, inventory control and tracking. To develop and uphold industry standards and best practices for cannabis distributors and transporters and become a model for other State licensed distribution businesses.

To aid and eliminate illegal, problematic grow houses and the nuisances surrounding them. Those nuisances include, but are not limited to, increased opportunity for crimes against property and persons at unsecured locations, obnoxious odors, fire hazards and the like. These individuals hope to profit by selling cannabis on the black market, avoiding regulated and compliant dispensary operations which pay taxes and benefit the community at large. Our business aids in eliminating this behavior by providing legally grown and manufactured cannabis to dispensaries in the surrounding areas of Woodland.

To provide employment opportunities for local residents, will pay taxes in accordance with county and state requirements, which in turn will benefit our county at large, including our neighborhood.

II. QUALIFICATION OF PRINCIPLES

Epic Bros Enterprises, Inc ("EBE" and "Company") is owned and managed by individuals with many years of experience in successfully starting and running highly regulated businesses such as gas stations. Our team is highly familiar with best practices in regulatory compliance, community relations, financial planning as well as all functions required for successfully managing day-to-day operations of the company. Our team will meet or exceed all criteria set forth by the City of Woodland and the State of California.

Bejan Farahbakhsh (President) - In 1995, Bejan opened his first Arco Am Pm in the city of Roseville. He built the site from the ground up going through entitlements, permitting & licensing, construction and had a grand opening for the site. As a direct result of establishing close relationships with City Staff, Police and, most importantly, the Community, the first store was a great success and has launched Bejan into his career of 10 years of running and managing a thriving and a successful business. Bejan then sold the store and utilized his acquired skills in working and consulting with dozens of other gas station franchisees, convenience store and car wash owners to help them achieve success and stay successful with good business practices, vendor relations, employee relations as well as government and franchisee/franchisor relations. With this expertise, Bejan has developed a solid network of quality business associates and a great network of friends to take his career to the next level. Another opportunity to build from ground up an Arco Am Pm has approached Bejan and his team in the City of Oakley. Impressively, within less than two years, the team has been able to open their doors, and yet

again, establish another successful gas station that has been recognized to have the second highest Am Pm sales in the Northern California. This project has also supported the local High School sports programs, sports leagues in the community, grand opening events and multiple customer appreciation events. Through the years Bejan has learned and now prides himself on offering the highest paying wages to staff members, which created desire for his employees to work hard with full dedication, great customer service, true care for the business.

Later, Bejan and his team has opened three additional gas stations that were built from ground up and bought four more stations from the oil company since then. Bejan has won multiple awards such as Rookie of the Year, Franchisee of the Year and multiple high Sales and Standard awards. Over the last twenty-three years of owning, operating and consulting, Bejan has put great importance in his reputation by managing all aspects of gasoline, alcohol and tobacco sales and storage in a very cautionary and responsible manner. Bejan strongly believes that his knowledge will help him and his team establish a fully compliant, community oriented commercial cannabis distribution company in the City of Woodland.

Inderveer Takhar (Chief Financial Officer) – Inderveer has been a Yolo County resident for the last twenty years and attended Davis University of California where he received a degree in communications. In the early 1999, Inderveer and his family began with their first fuel station in the City of Woodland which became a successful business model. After establishing themselves in the City of Woodland over the course of ten years, Inderveer and his family opened two more fuel stations and has recently built a fourth one in the city of West Sacramento. Similar to the cannabis industry, Inderveer has experienced a highly-regulated industry that always faces new laws and changes in regulations. He has learned how to work through these obstacles, acquired skills on how to maneuver and adapt and deliver consistency to his work product. Additionally, Inderveer has a great experience and knowledge in employee management as he has managed over fifty employees. Inderveer has built a team of dedicated, hard-working staff members that brought value to his businesses and positive growth in communities. Inderveer recognizes the importance of proper business management and proper handling of staff members to ensure their safety, competency in laws and regulations and enjoyment of their work environment. Inderveer feels that he has acquired a significant amount of appreciation of good business practices. Such knowledge will benefit the commercial cannabis distribution business model that his team and he will be building together by bringing their individual expertise to the table. Inderveer is looking forward to be involved with the local community and help promote new positive changes that will benefit the City and its community.

Robert Takhar (Vice President) – Robert was born in 1975 in a small town of Yuba City. He grew up on a family farm where he helped his grandparents with their peach tree farm business. Later, Robert and his family moved to Seattle, Washington to help his father achieve his dream of becoming an entrepreneur. They purchased a family “Mom and Pop” shop/restaurant and that’s when Robert’s experience in restaurant management and day-to-day operations had begun. While helping his family run their restaurant, Robert was attending University of Washington. Once he received a business degree from the University of Washington, Robert decided to expand his knowledge in a financial world and became a financial advisor. Having an extensive portfolio of clients, Robert has various expertise on how to properly utilize funds, being able to determine good investment opportunities and properly establish financial roadmaps for businesses.

Due to illness of his grandparents, Robert returned to California to continue help operate his grandparents' peach farm. Concurrently, his family purchased a gas station in Woodland in 1999 along with his brother Inderveer. Robert's was heavily involved in the construction process as well as day to day operations. Over the years, Robert had acquired great knowledge of accounting and finances and day-to-day operations. Being in a highly-regulated industry, Robert also has very good understanding on how to properly apply regulatory processes to daily operations and appreciation of establishing transparent working relationships with community members and governmental/state and city officials.

John Terrell (Secretary) - John Terrell is a Secretary of Vision of Success, Inc. and Bay Area Gold Standard, Inc. Before becoming a co-partner in his own small business, John has spent 28 years as an Operations Director for a retail grocer. As a senior executive manager, John's expertise includes quality control, protection against diversion, reconciliation of product, and personnel management.

Growing up in Southern California, John worked for my family owned franchise restaurant. This experience afforded him with strong work ethic and first-hand experience engaging with the local community. Since then John has honed his expertise with governmental regulatory agencies such as OSHA and EPA. As a meticulous manager of quality control, John makes every effort to incorporate the highest standard in labeled product. While demonstrating impeccable customer service, John strives to build relationships with the community, supporting my local Kiwanis Club and Girl Scout Troop. John's dedication to a strong community is also demonstrated currently in my grassroots-level recruiting efforts. John have remained passionate about business ever since those early days and stay knowledgeable on changes in industry innovation, standards and practices.

As a pro-Cannabis citizen, John knows that legal and regulated access has the power to improve lives. John has been certified with numerous business training programs as well as the environmental management training (EMT), which provides instruction on maintaining compliance with laws and regulations. John brings to this partnership over 30 years of business knowledge, product experience, and dedication to excellence.

III. BUSINESS OBJECTIVES

The company's principal objective is to be able to service the local growers and manufacturers by offering our distribution services, to provide storage for cannabis products and to ensure their product is tested, properly packaged and is fully compliant with the local and the State's regulations. The company will also offer packaging services for flower cannabis products pursuant to California State's regulations. The company will bring together the community of local growers, manufacturers and dispensaries in the surrounding areas of Woodland, and create a complimentary synergy.

IV. DISTRIBUTION SERVICES AND OPERATIONS

All proposed activities to be conducted on the property. In full compliance with state and local regulations, we propose to develop a 3,776 sqft suite at the street address of 1230 Harter Avenue, Suite J Woodland, CA 95776 to conduct commercial cannabis activity, specifically Type 11

Commercial Cannabis Distribution. All of our services will be provided are described below:

- A. Storage-Only Services.** We will provide cannabis goods storage-only services to a licensed cultivator, manufacturer, microbusiness, nonprofit, or another distributor, unrelated to the quality assurance and laboratory testing processes.
- B. Sale to Retailer.** After final product has been properly tested and certified, we will transport finished retail-ready product to a licensed retailer and/or non-storefront delivery licensee.
- C. Purchase/Sale/Transfer to Another Distributor.** We will sell or transfer cannabis or cannabis products to another licensed distributor instead of to a cannabis retailer. In the event that we sell or transfer the cannabis or cannabis products to the retailer, buyer distributor shall become responsible for collecting the cannabis excise tax from the retailer and reporting and paying it to the CDTFA.
- D. Storage of Batches for Testing Services.** We will store cannabis products separately and distinctly from other cannabis goods batches on the premises in a labeled quarantine area. We will ensure that the batch size from which the sample is taken meets the requirements of testing sample requirements. Our employees will be physically present to observe the laboratory employee obtain the sample of cannabis goods for testing and shall ensure that the increments are taken from throughout the batch.
- E. Recording.** The sampling will be video recorded with the batch number stated at the beginning of the video and a visible time and date indication on the video recording footage. The video recordings shall be maintained for 180 days. After the sample has been selected, the laboratory and our employee shall sign and date the chain of custody form. We will not assist the laboratory employee nor touch the cannabis goods or the sampling equipment while the laboratory employee is obtaining the sample by labeling with the following information that will be physically attached to each container of each batch:
 - 1. The manufacturer or cultivator's name and license number, who provided the batch
 - 2. The date of entry into the distributor's storage area;
 - 3. The unique identifiers and batch number associated with the batch;
 - 4. A description of the cannabis goods with enough detail to easily identify the batch;
 - 5. The weight of or quantity of units in the batch; and
 - 6. The best-by, sell-by, or expiration date of the batch, if any.
 - 7. Laboratory Testing Results

- F. Packaging and Labeling Service.** We will package only flower cannabis products and shall re-package, label, and re-label manufactured and non-manufactured cannabis for retail sale pursuant to CA State requirements.
- G. Relabeling Service.** In the event that during laboratory testing that a manufactured with the incorrect amount of THC per package or serving but is within the THC limits for sale, upon customer's request, we will re-label the package with the accurate THC amount.
- H. Transportation Services.** We will offer a transportation service to a licensed cultivator to transport cultivator's product to a distribution facility for quarantine and storage; transport finished and tested product to retailer's facilities. We will also offer a transportation service to manufacturers to transport bulk manufactured cannabis products to another manufacturer for packaging purposes as well as transport finished, packaged manufactured products to a distribution facility for quarantine and storage; transport finished and tested product to retailer's facilities.
- I. Testing Arrangements Service.** After taking physical possession of a cannabis goods batch, we will contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing.
- J. Sales Service.** We will provide a sales service to licensed cultivators and manufacturers for their products and secure shelf space at a retail and non-store-front dispensaries throughout the State of California.
- K. Quality-Assurance Review Service.** When a batch from a manufactured or harvest batch passes, the cannabis goods shall be transported to one or more retailers. If a failed sample was collected from a batch and the batch could be remediated, we will transport or arrange for the transportation of the batch to a cultivator or manufacturer for remediation. Upon receipt of certificate of analysis stating that the sample meets specifications required by law, the distributor shall ensure the following before transporting the cannabis goods to one or more retailers:
1. The certificate of analysis EBE received from the testing laboratory is the certificate of analysis that corresponds to the batch;
 2. The label on the cannabis goods is consistent with the certificate of analysis regarding cannabinoid content and contaminants required to be listed by law;
 3. The packaging complies with applicable packaging laws.
 4. The packaging is tamper evident.
 5. The weight or count of the cannabis batch comports with that in the track and trace system.
 6. EBE shall use scales as required by the Act; and
 7. All events up to this point have been entered into the track and trace system.

L. Collection and Payment of CA State Cultivation Taxes

1. We will collect the cannabis cultivation tax from cultivators and manufacturers from which we will receive cannabis and/or cannabis products.
2. We will collect the cannabis excise tax from cannabis retailers we supply (sell and/or transport) with cannabis and/or cannabis products.
3. We will provide an invoice or receipt to the businesses from which we collect the cultivation tax and the cannabis excise tax and electronically file both of the sales and use tax and cannabis tax returns and pay the amounts due to the CDTFA.
4. As a cannabis distributor, we are responsible for collecting the cannabis 15% excise tax from the cannabis retailers that we supply (sell and/or transport) with cannabis and/or cannabis products.

V. TRANSPORT

Our transportation will only be conducted between other licensed businesses.

- A. Documentation.** All of our vehicles transporting cannabis products will have a motor carrier permit. In addition, we will have a proof of ownership or valid lease on all of our vehicles and trailers that will be dedicated to transport of the cannabis goods. We will ensure to have documentation that shows the year, make, model, license plate number, and numerical Vehicle Identification Number (VIN) for any all of vehicles and trailers. In the event that we purchase any new vehicles, we will notify the State and local authorities of such change prior to transporting any cannabis products in said vehicle.
- B. Vehicles.** We will only transport cannabis products inside of a vehicle or trailer. None of the cannabis products will be visible or identifiable from outside of the vehicle or trailer and will be locked in a container or cage that is secured to the inside of the vehicle or trailer.
- C. Unattended Vehicles.** At all times, we will ensure that the vehicle is secured and when left unattended, vehicles and trailers shall be locked and secured by the transport personnel. We will not leave a vehicle or trailer containing cannabis goods unattended in a residential area or parked overnight in a residential area.
- D. Vehicle and Product Security.** We will have a vehicle alarm system on all transport vehicles and trailers. Our transport employees shall adhere to State's regulations and ensure that packages or containers holding cannabis products will not be tampered with or opened during transport.
- E. Shipments.** Our drivers will only travel between licensees shipping or receiving cannabis goods and its own licensed premises when engaged in the transportation of cannabis products.
- F. Medical and Recreational Cannabis.** We will transport medicinal and adult-use

cannabis goods in the same vehicle and we will ensure that the cannabis goods are clearly identified and marked as “A” for adult-use cannabis goods, or “M” for medicinal cannabis goods both on the physical packaging of the cannabis products and on the shipping manifest. While in transport, the medicinal and adult-use cannabis products will be secured and separated from each other in the vehicle. We will not transport non-cannabis products with cannabis goods.

G. Inspections. At all times our vehicles and trailers transporting cannabis products will be available for an inspection by the local government officials and authorities as well as the State Bureau.

H. Transport Personnel Requirements. Any potential employees shall be thoroughly screened and live scanned prior to hire. Our employees will be 21 years or older.

VI. DELIVERIES AND OPERATIONS

Because of the variety services we offer, we will have multiple deliveries throughout the day and will establish a specific schedule for each delivery, rotating and changing times of such schedules on a weekly basis for safety and security of our staff.

A. Business Hours. Our business hours shall be from 6am to 10pm. None of our transporters shall be on the road before 10am or after 10pm. Our warehouse hours shall also be from 6am and to 10pm.

B. Frequency of Deliveries. We will have multiple deliveries per day of cannabis products to our warehouse for storage and quarantine. We anticipate to have approximately (5) five to (10) deliveries per day.

C. Secured Intake and Output. Our facility has a fenced in yard area and a roll up door that creates double security for our deliveries and loading of cannabis products for shipment. The fence has barb wire and is approximately 6’ high. Our vehicles shall enter into the secured yard which will be locked immediately after the vehicle drives into the yard. Our roll up door leading to the secured intake area within the warehouse shall get opened by our employee and the vehicle shall be driven into the secured area and our employee shall close the roll up door to conduct unloading or loading of the cannabis products and any and all cash.

D. Type and Frequency of Deliveries. We will have the following deliveries throughout our course of business:

1. Plant material for quarantine and testing purposes (3-5 times per day).
2. Flower material for quarantine, testing and packaging purposes (5-8 times per day)
3. Finished manufactured cannabis goods for quarantine purposes (5-8 times per day)
4. General and office supplies (1 time per week via UPS or USPS van/truck, amounts will be commensurate with the usual office supply deliveries for a business.

E. Insurance. Company shall acquire a certificate of insurance that shows the types of insurance coverage and minimum amounts that have been secured.

1. At all times, we will carry and maintain commercial general liability insurance in the aggregate in an amount no less than \$2,000,000 and in an amount no less than \$1,000,000 for each loss.
2. We will notify the State and City of Woodland in writing within 10 calendar days of a lapse in insurance.

VII. ENHANCED PRODUCT SAFETY

In no case shall any hazardous, flammable or explosive substances be used on site. Food grade alcohol solely for the purposes of cleaning and dissolving wax, unless otherwise prohibited by the State of California, is used and permitted. City of Woodland Environmental Services may inspect the commercial cannabis business at any time during business hours to ensure compliance with this Section.

- A. Food standards.** We agree that all food products, food storage facilities, food-related utensils, equipment and materials will be approved, used, managed and handled in accordance to the provisions of the California Retail Food Code, California Health and Safety Code sections 113700- 114437. All food products shall be protected from contamination at all times, and all food handlers must be clean, in good health and free from communicable diseases.
- B. Quality and safety of sources.** All of the source materials that are going to licensed manufacturer for extraction are tested for pesticides, fungus, pests, molds, and other contaminants throughout our processes to guard against adulteration prior and post manufacturing process.
- C. Labeling and packaging.** EBE shall only package flower product and label and re-label packages. EBE shall ensure that any applicable product will be labeled and in tamper-evident packaging which at least meets the requirements of California Business and Professions Code section 19347, as the same may be amended from time-to-time or superseded or replaced by subsequent State legislation or by any department or division of the State of California, and in compliance with any County packaging and labelling requirements on cannabis or cannabis products. In the event that a testing laboratory determines and incorrect amounts of THC or CBD, products shall be relabeled with correct information.

VIII. SECURITY INFORMATION

Security is of the utmost importance to us and our group intends to meet or exceed all City of Woodland and State of California requirements. Full details on our security plan can be found in “Safety and Security Plan”.

IX. TRACK AND TRACE

Information technology and software will be widely deployed through the standard operating procedures of our company. EBE recognizes the need for customized platforms to ensure the highest levels of compliance. Areas of particular concern and focus include without limitation: verifying state required labeling, dosage, accounting practices and independent testing of product.

- A. **Software.** EBE is currently reviewing the compatibility of various software packages (e.g. MJ Freeway) with some of our potential partners to ensure a seamless integration from the first day of operations. Our systems will be state-of-the-art and may include features such as RFID tagging of products so that a detailed history of movement can be gathered simply by entering or exiting our facilities or vehicles. Our team will work closely with the County and the State to deploy systems that are efficient, accurate and fully compliant with all regulations.
- B. **Shipping Manifests.** Upon State's implementation, Company shall utilize shipping manifests and transmit them to the bureau on a daily basis via electronic mail. Prior to transporting cannabis products, we will generate a shipping manifest through the track and trace system for the following activities:
 - 1. Testing and sampling;
 - 2. Sale of cannabis products to another licensee;
 - 3. Destruction or disposal of cannabis products;

We will ensure and verify that the cannabis goods being taken into possession for transport at the originating licensed premises are as described and accurately reflected in the shipping manifest and we will not take into possession or transport any cannabis goods that are not on the shipping manifest or that are less than or greater than the amount reflected on the shipping manifest.

We conform that we are responsible for any discrepancies between the shipping manifest and the cannabis goods in its possession during transport, and subject to any enforcement or disciplinary action related to such discrepancy.

A shipping manifest shall accompany every transport of cannabis goods and will be electronically mailed to the bureau until the State California State established a track-and-trace system.

X. INVENTORY CONTROL

- A. **Inventory Control and Tracking.** To track our inventory, inbound supply and outbound product, we will employ record-keeping using MJ Freeway software that is compatible with State of California's requirements. Such platforms track the product throughout its entire lifecycle within the facility and as it is transferred in and out of the facility. Company is currently reviewing MJ Freeway software which is a nationally recognized a point-of-sale tracking system. It easily reports on all aspects of the business including, but not limited to, batch cannabis tracking, inventory data, and gross sales (by weight and by sale). This system and information is compatible with the City's record-keeping

systems and our financial system, Quickbooks. The system has the capability to produce historical transactional data for review by the City of Woodland. As mentioned, MJ Freeway's software integrates with our QuickBooks system and integrates with most other software platforms, which makes it a dominant choice for cities that track their cannabis businesses and for the cannabis industry. All of the tracking activity occurs using only an Internet connection so the information is secure, but accessible remotely. MJ Freeway incorporates all cannabis compliance regulations and enables the entire supply chain management from seed-to-sale and across the whole enterprise, managing all of our goods, labor, supplies, customers, and sales in one place.

B. Reconciliation. We will reconcile all inventories of cannabis goods at least once every 14 days and will keep an inventory log containing the following information for each batch:

1. The manufacturer or cultivator's name and license number, who provided the batch;
2. The date of entry into the EBE's storage area
3. The unique identifiers and batch number associated with the batch
4. A description of the cannabis goods with enough detail to easily identify the batch
5. The weight of or quantity of units in the batch;
6. The best-by, sell-by, or expiration date of the batch, if any; and
7. Where on the premises the batch is kept;

C. Discrepancies. If EBE finds a discrepancy between the inventory of stock and the inventory log or track and trace system that is outside of normal weight loss caused by moisture loss, EBE will commence a full audit of the batch in which the discrepancy was found.

D. Record Maintenance. Scrutinizing company operations and maintaining precise records will not only ensure that we meet all required regulations, but also that our business is run most efficiently. Our management team has a reputation in business for being proactive instead of reactive and will incorporate business process to ensure compliance in all aspects of the business. At a minimum, our team will make and maintain complete, accurate and legible records evidencing compliance with the California and local government's requirements, which shall be subject to audit. The additional tasks related to this function will include, verifying accounting (audit) and accounting practices, verification of required insurances, permits, indemnification requirements, and investigations related to violations.

E. Records. In addition to the records required by the State and Local authorities, we will maintain the following records:

1. Records relating to branding, packaging and labeling
2. Inventory logs and records
3. Transportation bills of lading and shipping manifests for completed transports and for cannabis goods in transit;
4. Vehicle and trailer ownership records;
5. Quality-assurance records;
6. Records relating to destruction of cannabis goods;
7. Laboratory-testing records;
8. Warehouse receipts;

9. Records relating to tax payments collected and paid.

F. Storage, location and amount of on-site cannabis and cannabis product. We place the highest concern on securing cannabis and cannabis product. To prevent diversion of cannabis and cannabis product, we will incorporate employee screening, secure storage of cannabis and cannabis products, and personnel policies governing access to, use and removal of inventory. Additionally, physical and electronic inventory control measures will prevent unauthorized access, theft, loss and diversion. We store all medical and recreational cannabis and medical and recreational cannabis products, including live plants in secured and locked rooms. Access to any storage area is allowed only with badged entry. Only those with authorized access will be able to access the storage rooms. Each entrance and exit records the activity by employee, time and date. The cold storage room for the cannabis plant that shares an exterior wall will have theft-prevention barriers installed on the exterior of the steel wall.

G. Secured Access. We control inventory by maintaining a secure – badged entry system to areas that store cannabis, cannabis products, and chemicals and by hiring the right people. Security cameras record areas where the plant material and cannabis product is stored and produced. Removal of inventory from the facility without prior notice to the security guards and logging the activity in MJ Freeway is strictly prohibited. Also, only authorized personnel may handle plant or cannabis product with an even stricter level of authorization controlling who may leave the facility with plant or plant product.

XI. WATER USAGE AND HAZARDOUS MATERIALS

A. Water Usage. Due to the nature of our business, we will require very little water usage both on and off site. Water usage will be limited to the use of toilets and sinks in restrooms for on-site employees. No other on-site water usage is expected as drinking water will be provided by water coolers and delivery of water.

B. Hazardous Materials. Outside of the gasoline (and potentially diesel) used as fuel within our vehicles, we will not be using any hazardous materials. Our site plan calls for adequate fire suppression measures to ensure containment in the event of an emergency situation.

XII. OTHER OPERATIONAL REQUIREMENTS (STATE and LOCAL COMPLIANCE)

A. Local and State Compliance. We will always operate in compliance to local and state regulations. We intend to thoroughly screen our employees and maintain a respectful and law-abiding staff. We will have a zero tolerance for any employees that demonstrate behaviors that display anything but the highest levels of professionalism.

B. Premise Compliance. Our team will work with officials to ensure the compliance measures related to signage, prohibited activities such as consumption of cannabis and alcohol on site, presents of minors, building and fire code compliance, odor control, compliance with department of public health, security compliance (video monitoring), monitoring manifests for deliveries and transports, water usage and disposal, we will

maintain a zero tolerance for any employee acting outside of the bounds of these important compliance areas.

- C. Third Party Compliance Professionals.** Through constant oversight, responsible hiring practices, and a priority on safety, compliance and security, we will ensure quality of products. We engage a team of lawyers, community relations staff and industry advisors to assist with governance, compliance, legal adherence, and updates to laws and regulations.
- D. Transportation compliance.** Transportation shall only be conducted according to activity permitted by State law.
- E. Employees.** Each employee shall undergo an annual background check and have their own access key cards that will allow them to access the premises and record in and out activities within the premises.
- F. Alcohol on Premise.** Alcohol for personal consumption shall not be provided, stored, kept, located, sold, dispensed, or used on premises.
- G. Signage.** Premises shall have a sign that is 8 inches by 10 inches in size and shall be displayed at all times in a conspicuous place so it is able to be readily seen by persons entering the business:
 - 1. This site is not open to the public
 - 2. Onsite retail sales of any goods and services is prohibited”
 - 3. Juveniles are prohibited from entering this site”
 - 4. Smoking, ingesting, or consuming cannabis on site is prohibited

XIII. HUMAN RESOURCES AND PERSONEL POLICIES

All employees and managers will be fully vetted, permitted, and registered in accordance with City's and State's requirements.

- A. Benefits Package.** Employee benefit packages and performance bonus structures are currently under consideration and will be deployed as appropriate for individual responsibilities. EBE has a strong desire to create an enjoyable workplace where hard work is rewarded. Employee happiness and retention is of great concern to senior management.
- B. Labor Peace Agreement.** Because our company does not currently employ more than 20 employees, it does not trigger the requirement for a Labor Peace Agreement to be in place. However, we do anticipate growth and acknowledge this requirement. We fully intend to comply with all labor and/or union requirements.
- C. Minimum age.** At no time will anyone under the age of 21 be employed by the business.
- D. Youth Access.** As a manufacturing facility, we will not be open to the public, we will not have to conduct medical recommendation verification and youth will not be allowed on site. The doors will remain locked during business hours with only authorized personnel allowed inside the premises. This will ensure that youth may not access the facility. Persons under the age of eighteen (18) years shall not be allowed on the premises as visitors or employees.

- E. Background Checks.** Every person listed as an owner, manager, supervisor or employee of the business will submit fingerprints and other information deemed necessary by the Chief of Police or his designee for a background check by the City of Woodland Police Department or Yolo County Sheriff's Department. All potential employees will be subject to our background check via a service approved by the police such as LiveScan. Once the Police Department or the Sheriff's department approves the potential employee, we will proceed with the interview and hiring process. Potential employees are vetted (background checks) to the satisfaction of the City of Woodland Chief of Police and in compliance with the Regulatory Application Package. An agreed upon third party will perform the check and results will be shared with the City and the Police Chief and EBE as well as with any consultant the City engages to assist with back ground check reviews. When Livescan is available, employees will submit to Livescan reviews.
- F. Employee Records.** EBE will maintain on-site a current register of all the employees currently employed and shall produce such register to the City Manager or his/her designee or any other City of Woodland official authorized to enforce the Woodland City Code for purposes of determining compliance with this Chapter.
- G. Employee training.** All staff will undergo initial and ongoing training in manufacturing and machinery safety, OSHA and personal protective equipment requirements, documentation, testing, hazard response, chemical handling, labeling documentation, and emergency procedures. We offer mandatory training in a module similar to the programs outlined at <https://www.osha.gov/dte/>. MJ Freeway conducts extensive training on the tracking software. MJ Freeway's professional trainers provide this training on their tracking platform. Training will also include secure facility protocols to ensure against theft and diversion.
- H. Transport.** Cannabis products will be safely and securely transported to and from the facility in unmarked vehicles only by EBE's employees. EBE will only accept transport to and from the facility using licensed commercial cannabis businesses. Transportation transactions will be documented on a manifest in a clear and consistent format that provides key details including: driver and vehicle identification, weight and/or unit counts of all products, route traveled, departure and expected arrival times, and alerts when shipments are late. We inspect each inbound and outbound transport to ensure that the product arrives on time, is not tampered with or diverted, and that the inventory levels are properly accounted for.
- I. Loitering.** Loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises is prohibited.
- J. Identification.** Each person to whom a work permit is issued shall wear his or her personal identification card, issued by the EBE's security company that also allows and restricts access to the distribution premises. Cards shall be placed at a prominent and readily-visible location on the outermost garment and approximately chest-high. Such identification card shall at all times be in good and readable condition.
- K. Change of Employment.** In the event a person changes employment from one commercial cannabis business within the city to another, EBE shall notify the City Manager or his/her designee in writing of the change of employment within ten (10) days of such change or the work permit shall be suspended or revoked and such person shall not be permitted to work within any commercial cannabis business within the city.
- L. Onsite consumption prohibited.** Cannabis shall not be consumed on the premises.

XIV. BUSINESS MANAGEMENT PLATFORM

- A. Management.** EBE will hire managers that including without limitation governance of employees, quality control, reporting, record and bookkeeping under the guidance of EBE's tax advisor and compliance with all aspects of the operations. EBE will employ laborers and to the extent possible, bear all costs of goods.
- B. Inventory Monitoring.** In order to operate at optimal efficiency as well as to remain compliant with state and local rules and regulations regarding cannabis distribution, all inventory pertaining to the business operations of EBE will be carefully monitored and controlled by means of inventory management computer software and surveillance. The inventory management system will include internally-generated Excel spreadsheets as well as third-party inventory tracking software as deemed applicable by management and in compliance with state and local requirements as implemented from time to time. The responsibility of oversight regarding data and inventory tracking for the shall lay with the Controller of the company.

XV. TAX COMPLIANCE / HANDLING CASH

EBE like all other cannabis facilities has the difficult task of managing cash, in a world where banking through formal channels is virtually impossible for any sustained period of time.

- A. Addressing Tax Compliance.** Addressing the considerable challenges of tax compliance, particularly at the federal level, along with accurate books and records keeping, will be paramount in this emerging regulatory environment. EBE will engage the services of a Certified Public Accountancy firm to both set up its operations and assist in keeping the books and records. Doing so ensures compliance with tax obligations at all levels and assists EBE. in classifying different activities and costs within the business.
- B. State and Local.** EBE will be required to obtain a Sacramento Business Operating License and pay a community benefits tax estimated at \$48,280 annually. EBE has registered with the Board of Equalization and obtained a seller's permit. Moreover, statewide regulations will likely dictate that EBE will also be required to pay licensing fees to the State of California to remain compliant.
- C. Federal.** At the federal level, deductible expenses under IRC 263A and 280E and the filing requirements of Form 8300 are challenging for many distributors. Under federal guidelines, only expenses that qualify to be classified as Cost of Goods Sold (COGS) are allowable deductions for a business that is involved in a federally illegal activity. Expenses deductible at the federal level may include, rent, utilities - electricity and water, nutrients and fertilizer, packaging materials, and labor, provided each can be rightfully attributed to production. Rent for flowering space would be deductible, but rent for office administration would not. Questions remain as to whether costs for security for the inventory, insurance, scales, excise taxes and potentially, accounting and traceability software costs qualify. Appropriate classification can maximize the COG deductions and remain compliant.

- D. Form 8300.** The law requires that trades and businesses report cash payments of more than \$10,000 to the federal government by filing IRS/FinCEN Form 8300, report of cash payments over \$10,000 received in a trade or business. The information contained in the form assists law enforcement in its anti-money laundering efforts to investigate possible tax evasion, drug dealing, terrorist financing and other criminal activities. Transactions that require Form 8300 are widespread. Cash includes the coins and currency of the United States and a foreign country, may also include cashier's checks, bank drafts, traveler's checks, and money orders with a face value of \$10,000 or less. If the business receives more than one payment in cash, totaling \$10,000 or more Form 8300 must be filed within 15 days of receipt. When businesses comply with the reporting laws they provide authorities with an audit trail, however failure to file same carry penal and pecuniary penalties.
- E. Payments to Employees.** Until such time as EBE finds a payroll service to handle the cash conundrum all cannabis companies face, it will pay its employees in cash, retain appropriate tax withholdings in conformity with the law and provide its employees with check stubs setting forth all information required pursuant to federal, state, FICA, SSDI, SSI and all other required withholdings.
- F. Cash Storage.** Cash will be removed from the site by contracted security services company and stored at a secure location upon the accumulation of \$25,000 or more. Alternatively, upon the implementation of state licensing of distribution companies, EBE. will attempt to negotiate the delivery of monies by said distribution companies to the offsite storage.

XVI. SAFETY, HEALTH, AND ENVIRONMENTAL CONCERNS

Upon rebuilding the facilities, working conditions will not only meet, but exceed the standards established by OSHA, state, and local laws. EBE will contract with an Occupational Health & Safety consultant that provides comprehensive Health, Safety, and Environment (HSE) services. Said consultant shall provide counselling to ensure that we EBE. employees and contractors have a thorough understanding of the work environment and any potential risks. EBE. will seek a range of realistic options and control measures to provide for the safety of its employees and others.

Articles

Seller's Permit

Epic Bros Enterprises, Inc
1230 Harter Avenue Suite J
Woodland, CA 95776

Community Relations Plan

Community relationships are the keystone of success in any business and our management team strongly believes in being a steward of the community. Our team of ardent professionals will display nothing but the highest levels of business acumen and respect for our neighbors and greater community. We will work closely with government and citizen leaders as well as law enforcement to be a beneficial addition to the community.

Bejan Farahbakhsh is the designated Community Relations Manager for the cannabis distribution business and is responsible for outreach and communication with the surrounding community. Bejan has already taken initial steps toward reaching out to the community by introducing herself in person to all of the surrounding business neighbors and the neighbors adjacent to the site. In addition to initial in-person introduction, Bejan has sent out an introductory letter **“Neighborhood Distribution Site”**. A draft copy of the letter mailed is included in attached herein. In this letter, Bejan provided his phone number and an email specifically established for the intake of any concerns or questions neighboring businesses may have and invited them to contact him directly to set up an individual appointment.

Epic Bros Enterprises, Inc
1230 Harter Avenue Suite J
Woodland, CA 95776
925-785-4950

August 1st, 2018

ProTerp Manufacturing, LLC
1230 Harter Avenue Suite F
Woodland, CA 95776

Re: Neighborhood Distribution Site

Dear Neighbor:

My name is Bejan Farahbakhsh, and I am writing to introduce myself and my cannabis distribution business Epic Bros Enterprises, Inc. I am the designated Community Relations Manager and will be your point of contact for any inquiries or concerns you may have in relation to our business. I can be reached by phone at 925-785-4950 or email at bejfara@hotmail.com. The proposed distribution site will be located at 1230 Harter Avenue Suite J Woodland, CA 95776.

A critical component to our operating model is deeply rooted in good stewardship to our community and the populations we serve. Additionally, our business must comply with local and State regulations that enforce strict security and health and safety guidelines. Our business as well as the building owner intend to engage in improvement of the business park to ensure everyone's comfortability and safety by addressing all of security and sanitation issues.

Our vision includes running a compliant business that can be modeled for other like businesses. We are going to be distributing, testing and performing quality assurance of the cannabis products for local growers and manufacturers. We will provide employment opportunities to City of Woodland residents and create a safe and pleasant environment within the community and in the surrounding areas.

Some of the ways that our business strives to serve the community include:

- Aiding in the elimination of illegal, and problematic cannabis facilities and the nuisances surrounding them. Those nuisances include, but are not limited to, increased opportunity for crimes against property and persons at unsecured locations with obnoxious odors and fire hazards. These individuals hope to profit by selling cannabis on the black market, avoiding regulated and compliant dispensary operations which pay taxes and benefit the community at large. Our business aids in eliminating this behavior by complying with State's regulations and ensuring that our vendors and sellers have their State licenses. We will be acquiring legal cannabis from our neighbor-cultivators and manufacturers to dispensaries in surrounding areas of City of Woodland and throughout State of California.

Pursuant to both City of Woodland ordinance and reasonable good neighbor policies, our business operation will include the following:

- Odor Control. Our distribution warehouse site will have a comprehensive odor control system which will make odors typically associated with cannabis site undetectable.
- Comprehensive Security Plan. Our distribution warehouse site will employ a comprehensive security plan mandated by ordinance which includes the use of 24-hour security cameras, and strategic placement of lighting that will deter crime in the area.
- Community Employment. Our distribution warehouse site will provide employment opportunities for local residents.
- Economic Stimulation. Our distribution warehouse will pay taxes in accordance with city and state requirements, which in turn will benefit our city at large, including our neighborhood.

In order to better address any initial inquiries or concerns you may have concerning our business, we welcome you to contact me directly to set an appointment for a meeting.

We look forward to becoming a part of the community and build positive and mutually-beneficial relationships with our new neighbors.

Sincerely,

Bejan Farahbakhsh
c/o Epic Bros Enterprises

EPIC BROS ENTERPRISES, INC
1230 Harter Avenue Suite J
Woodland, CA 95776

Odor Control Plan

During delivery of inbound product and loading of the product into our cargo vans and during packaging of the flower products, there can be a slight odor. Our intention is to capture the odor/plant's terpenes. That being said, there should not be any cannabis odors exhausted from the building. We will have odor control devices and techniques including sufficient odor absorbing ventilation, an exhaust filtration system, and a negative air-pressure system so that odor generated inside the facility that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the commercial cannabis business. The following construction and filtration systems shall be implemented:

- **SEALED WAREHOUSE**
 - a. The warehouse space will be designed in a manner to achieve as complete an air-tight seal as possible at the edges, corners, and entry-ways.
 - b. Practices will be implemented and enforced to minimize the release of odors from the cultivation rooms into the surrounding area.
- **INTERNAL FILTRATION SYSTEMS**
 - a. The warehouse will be equipped with internal carbon filtration systems set to activate on a timed schedule in order to maximize internal air purification as well as energy efficiency.
 - b. The warehouse room will be equipped with heating and air conditioning systems featuring recirculation ports fitted with carbon filters and high efficiency particulate air filters in order to prevent odors from being released from the HVAC system as air recirculates.
- **VENTILATION FILTERS**
 - a. Any additional air ventilated from each room will pass through a central outlet equipped with charcoal filters or other high efficiency particulate air filters in order to eliminate odors from ventilated air.
- **EXTERNAL FILTRATION SYSTEMS**
 - a. The areas surrounding storage and packaging area will also be subject to additional odor control by means of ozone-generating air purifiers so that any air that ventilates through main building entry-ways will be clean and clear of any odors generated in the course of cannabis cultivation.

EPIC BROS ENTERPRISES, INC
1230 Harter Avenue Suite J
Woodland, CA 95776

Plant, Oil and Chemical Waste Disposal

ProTerp has engaged with the City of Woodland's Environmental Services to establish standard operating procedures for plant and oil waste disposal.

Type of Material and Process.

- Green byproduct (buds or that the byproduct can still be used for the making of oils or the like, then the materials must be serviced as waste (trash)): Loads shall obtain a certificate of destruction with each disposal.
- Brown waste (does not contain buds or usable byproduct): the materials shall be hauled as organic waste, which will be composted and considered diverted materials. Loads shall taken to the Yolo County Central Landfill contain any green byproduct, they will be processed as waste and shall have a certification of destruction.
- Chemical Hazardous Waste materials (solvents, pesticides, chemicals, lamp ballasts, canisters/cylinders, personal protection equipment with residual, etc.): shall be disposed of through a hazardous waste facility. ProTerp shall engage with Yolo County Central Landfill to engage in Conditionally Exempt Small Quantity Generator (CESQG) business program.
- Recycling: (cardboard, paper, and plastic, glass, or metal containers): shall be separated from any waste or organics recycling loads.

Waste Storage. ProTerp Manufacturing shall dedicate a waste storage area for any green byproduct and brown waste in the "Quarantine" area labeled on the proposed floor plan. Solvent and Chemicals shall be stored in "C1D1" container labeled on the floor plan and shall have a dedicated area for storage of such waste.

- Green Byproduct and Brown Waste Storage. Inventory manager shall label each plastic 18-gallon container bin of hazardous waste, with the words "Bio-Hazardous Waste" for any green byproduct and brown waste, the date accumulation of the waste began, the name and address of the inventory manager, the manifest tracking number, and with labels that conform to the U.S. Department of Transportation requirements.

- Chemical Waste Storage. Inventory manager shall label Chemical Hazardous as "Hazardous Chemical Waste". Hazardous waste shall be stored in sealed, compatible containers (original chemical containers). Containers shall be kept closed at all times except to add waste. Hazardous waste containers shall be labeled with tags as soon as waste accumulation begins. Incompatible hazardous wastes shall be segregated and shall never accumulate more than 55 gallons (or one quart of acute hazardous waste) at a time.

Record Keeping. When hazardous waste is transported, the inventory manager must record the type, quantity, and the hazards of the waste on a tracking document called a hazardous waste manifest. Copies of all hazardous waste manifests shall be kept on-site and available for a minimum of 3 years.

Inspection. During accumulation and storage, the inventory manager shall inspect the hazardous waste containers weekly to verify that the containers are closed and in good condition.

Hauling. Materials shall be self-hauled to the Yolo County Central Landfill to a waste or compost facility by EBE (facility in which the materials were generated).

Frequency of disposal. Depending on the amount of materials generated, all waste generated from the facility shall be removed from the premise no less than one time per week.

EPIC BROS ENTERPRISES, INC

1230 Harter Avenue Suite J

Woodland, CA 95776

Energy Efficiency Plan

Energy and water usage. Very small amounts of water are used for cleaning purposes. Hand-washing will likely be the largest water use in our facility. No wastewater is generated in our processing. We anticipate using 16- 24 hours per day of power. Amperage will be consumed by air conditioning consistent with normal office park use for a 4,000-square foot area located in a climate comparable to Woodland City's. Our warehouse must stay at 74 degrees Fahrenheit; some storage areas defined on the floor plan will have additional air cooling system for perishable products and will have freezer space for cannabis products that must stay frozen. Our facility will not create undue amounts of heat from light or power or other operations.



TO: THE MEMBERS OF THE PLANNING COMMISSION
AGENDA: Planning Commission Meeting
DATE: September 20, 2018
ITEM #: H.3.
SUBJECT: **Tanforan Ventures, LLC Cannabis Manufacturing, Distribution and Testing Facility**

Tanforan Ventures, LLC Cannabis Manufacturing, Distribution and Testing Facility: Proposed Master Conditional Use Permit for a Commercial Cannabis Manufacturing, Distribution, and Testing Lab Facility Located at 1460 Tanforan Avenue: PLNG 18-00027

Location: 1460 Tanforan Avenue, Woodland CA 95776

Applicant: Tanforan Ventures, LLC

Property Owner: Ethan Conrad Properties

Environmental Report: Categorical Exemption

APN: 027-450-070

Project Planner: Cindy Norris, Principal Planner

Staff Recommendation: Conditional Approval

Report For: Planning Commission Public Hearing – September 20, 2018

General Plan Designation: Industrial/ Light Industrial Flex Overlay (I/LIF)

Existing Land Uses: The parcel is currently developed with three industrial buildings on a 9.891 acres. The building under consideration is located at 1460 Tanforan Avenue which is a 64,000 square foot industrial building of which the applicant is proposing to occupy the entire building. Suite A has been occupied by Nor Cal indoor Sports who do not intend to continue their lease after September of 2018.

Adjacent Land Uses & Zoning:

<u>DIRECTION</u>	<u>LAND USE</u>	<u>ZONING</u>
North	Existing Industrial/Tanforan Avenue	I/LIF
South	Existing Industrial	I/LIF
East	Existing Industrial/Tanforan Avenue	I/LIF
West	Existing Industrial/Tanforan Avenue	I/LIF

Flood Zone: Flood Zone AE – Map #06113C0 455H dated May 16, 2012.

Street Access: 1460 Tanforan Avenue, Suites A and B

Pending/Potential Action

Staff recommends that the Planning Commission take action on the following:

- 1) Receive the staff report;
- 2) Conduct a public hearing;
- 3) Find that the project is exempt from further environmental review pursuant to Class 1 Categorical Exemption under the California Environmental Quality Act (CEQA) and find that the Exemptions reflect the independent judgement of the City as lead agency under CEQA;
- 3) Approve Planning Commission Resolution No. PC - _____ recommending that the City Council approve a Conditional Use Permit for cannabis manufacturing, distribution and testing laboratory at 1460 Tanforan Avenue, Suites A and B, conditioned upon approval of appropriate Cannabis Business Permit and the recommended conditions of approval.

Project Site Description

The overall project site is 9.89 acres in size and occupied by three existing warehouse buildings, (1460, 1462, and 1464 Tanforan Avenue) each approximately 64,000 square feet in size. The subject building at 1460 Tanforan Avenue, is the most northerly-located building and fronts on to Tanforan Avenue. The building is approximately 64,000 square feet in size and has housed multiple tenants, including the Nor Cal Indoor Sports previously located in Suite A. The applicant has indicated that the youth sports facility has opted to not continue their lease, which ends in September of 2018.



(1000 foot radius from the parcel)

The property is zoned for Industrial with a Light Industrial Flex Overlay and the proposed use may be considered with approval of a Conditional Use Permit by the City Council as the final acting body pursuant to Zoning Ordinance Article 25-21.6 relating to commercial cannabis. In accordance with Section 25-21.6-50(a), the Planning Commission shall review all conditional use permit applications and provide a recommendation regarding approval to the City Council.

Project Proposal

On April 16, 2018, Tanforan Ventures applied for a Master Conditional Use Permit (CUP). The applicant is requesting a recommendation of approval to the City Council for a master Conditional Use Permit by the Planning Commission, which will allow Tanforan Ventures, LLC the use of the entire 64,000 square foot building located at 1460 Tanforan Avenue. The applicant initially requested a recommendation of approval to allow three commercial cannabis business to occupy approximately 32,000 square feet in the existing building at 1460 Tanforan, Suite B. In a revised submittal, received on August 10, 2018 and updated August 22, 2018, the applicant has requested use of the entire 64,000 square foot building for commercial cannabis uses as follows:

Suite A – 32,000 square feet: High Five Solutions, Manufacturing (volatile and non-volatile License Types 6 & 7)

Suite B – 22,000 square feet: ORMEX Enterprises, LLC Distribution and Transport (License Type 11 & 12)

Suite C - 10,000 square feet (New): Testing (no business entity is identified at this time)

Any cannabis related commercial business, in addition to obtaining all required land use approvals, must also obtain a cannabis business permit from the city pursuant to Chapter 13A, Commercial Cannabis Business Permits (CBP) for each individual business activity. (Ordinance 1630). The CBP addresses the specific operating requirements of each business. To obtain a CBP each business will also be required to obtain the appropriate State License type (Type 6 and 7 – Medical and Adult Non- Volatile and Volatile Commercial Cannabis Manufacturing; Type 8 Testing Laboratory; Type 11 Distribution; and Type 12 Transport). No customers or sales will occur at the facility along with no signage or identification regarding the type of business that is operating.

Background

On November 8, 2016 California voters approved Proposition 64, known as the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA). AUMA legalized non-medical cannabis use, possession and cultivation by persons 21 years of age and older. With the majority vote passage, the provisions related to personal use, possession and cultivation of non-medical cannabis went into effect on November 9, 2016. Commercial non-medical cannabis activities also became legal on November 9, 2016, although commercial activities require state licenses. The state began issuing licenses for commercial activities on January 1, 2018.

On June 27, 2017, California Senate Bill 94 was signed into law, repealing the Medical Cannabis Regulation and Safety Act (MCRSA) and amending AUMA to consolidate state licensing of medical and non-medical commercial activities. The new law is now called the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

On September 16, 2017, Assembly Bill 133 was signed into law by Governor Brown and it made numerous minor amendments to MAUCRSA. One of the amendments removed the requirement that cannabis businesses maintain separate and distinct premises for each use. Now multiple uses may be located at the same location, so long as a separate state license is obtained for each location where commercial cannabis activity occurs, subject to applicable state regulations.

The City of Woodland has passed several Ordinances to update the Municipal Code to address both personal and commercial cannabis uses. On December 5, 2017 the City Council approved Ordinance 1629 to add

Article 21.6 of Chapter 25 to the Municipal Code relating to the zoning of Commercial Cannabis uses. The Council also approved Ordinance 1630 to add Chapter 13A to the Municipal Code related to commercial cannabis business permits and operating regulations. Ordinance 1629 allows consideration for up to six (6) conditional use permits for cannabis uses, which may be located in the Industrial or Industrial with Light Industrial Flex Overlay zones. The Ordinance allows the consideration of multiple cannabis license type in one location to be considered under one master Conditional Use Permit. However, each business entity will be required to obtain separate Cannabis Business Permits (CBP). An operating agreement, to be approved by the Community Development Director, consistent with council approved conditions, will be required with each CBP.

To date, the City has received three cannabis conditional use permit applications.

ANALYSIS

Public Notification

Public notice advertising for the public hearing on this project was prepared by the Community Development Department in accordance with notification procedures set forth in the City of Woodland's Municipal Code and State Planning Law. Two methods of public notice were used:

Legal notice was published in the Woodland Daily Democrat at least ten days prior to the public hearing. Notices were mailed to all property owners within 1,000 feet of the project site.

Applicable Laws, Codes & Ordinances

This project is subject to several laws, codes and ordinances:

The City of Woodland General Plan

The City of Woodland Zoning Ordinance

City of Woodland Cannabis Business Permit Requirements

Community Design Standards

California Environmental Quality Act (CEQA)

Environmental Assessment Status

Staff has determined that a Class 1 Categorical Exemption (Existing Facilities) pursuant to Section 15301 of the CEQA Guidelines as the appropriate level of CEQA review for this document. Class 1 consists of the operation, repair, maintenance, permitting, leasing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agencies' determination. The environmentally benign project is consistent with the local general plan and zoning requirements. The proposed use would occupy approximately 64,000 square feet space within an existing industrial multi-tenant building already zoned and developed to allow industrial and manufacturing uses similar to the project.

Reviewing Agency Comments

The project has been circulated to other city divisions and departments for review as well as to agencies outside the City of Woodland who have may have interest in the application including Air Quality, Waste Management, Yolo County, Yolo County Office of Education, and PG & E . All reviewing agency comments

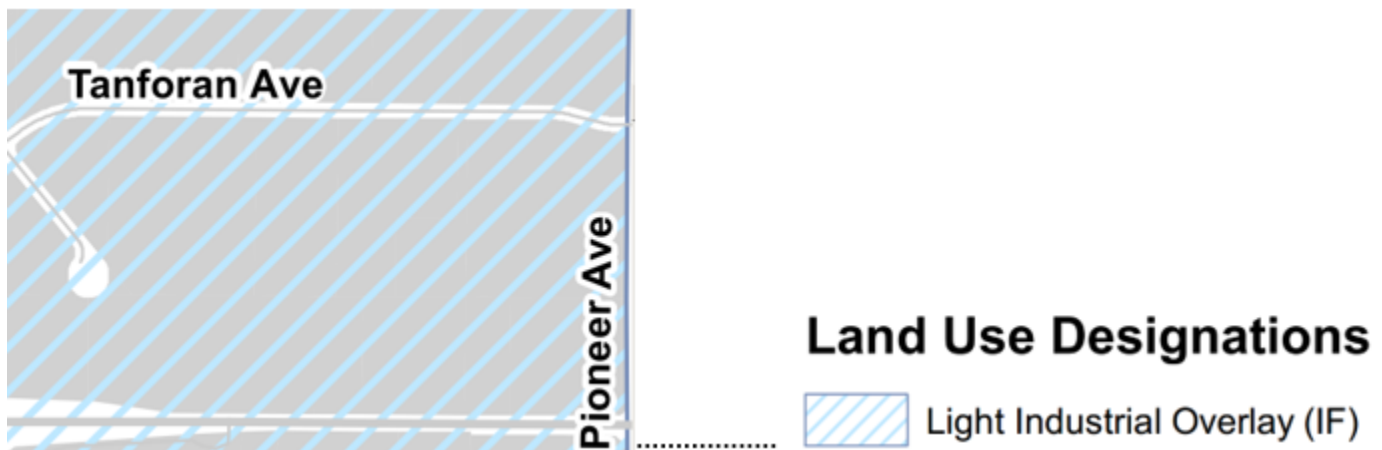
have been integrated into the conditions of approval.

Staff Analysis

General Plan Consistency

The 2035 General Plan (GP) designation for the site is Industrial with a Light Industrial Flex Overlay (I/LIF). The proposed use of the site is consistent with the General Plan and shall be reviewed in accordance to the policies listed in conditional use permit discussion below. The General Plan describes this land use designation as follows:

When applied over the Industrial base designation, the Light Industrial Flex Overlay provides for a mix of general, light to custom industrial and manufacturing uses, including multi-tenant spaces with offices, contractor storage, agricultural processing, food producers, industrial technology, and other sensitive processing uses that require controlled performance standards.



Climate Action Plan Consistency

The project involves the re-use of an existing building that will be re-purposed and upgraded to encourage new technology and an employment generating use. Strategy T/LU-2 encourages Redevelopment and Repurposing. The Climate Action Plan assumed that development would occur and continue within the urban areas of the city. In this instance, project has been conditioned to encourage and utilize energy saving features including solar consistent with Strategy E-3. The applicant will be required to submit a statement with their building construction plans describing measures that they will be implementing.

Zoning Consistency

The zoning designation for the site is Industrial with Light Industrial Flex Overlay (I/LIF), which provides for types of animal and food processing uses, manufacturing uses, industrial yard uses, warehouse and storage uses and other related miscellaneous uses, such as office space and general agriculture. The site is an existing industrial warehouse building and is generally consistent with the Zoning Ordinance.

Access and Parking:

There is adequate parking provided for use. The site currently has 129 parking spaces directly adjacent to the building. A minimum of 32 spaces are required based on the ratio of one space per 2,000 square feet of gross floor area (1/2000). The site was designed to accommodate large truck loading and has multiple loading docks. The applicant intends to utilize 5 secure loading areas that will have additional fencing to secure the areas. Several of the older bay doors have been sealed and are no longer used or accessible.

Landscaping:

The site has existing landscape planters. The application will be conditioned to require on-going maintenance and replacement of any dead or dying plant materials. In addition, the site shall be cleared of any debris and trash on a daily basis.

600-foot Sensitivity Buffer



Nor Cal Indoor Sports is an identified youth oriented facility and was located in Suite A. However, the city has been notified that the sports use does not intend to continue their lease after September of 2018. The applicant has indicated that they have been working to help the sports facility locate another site that would meet their needs and is willing to store their equipment in the interim. The proposed site is located farther than 600-feet from the Office of Education located on Santa Anita Drive as illustrated in the diagram.

Conditional Use Permit Review

A conditional Use Permit (CUP) affords broad public review and evaluation of those uses which require special consideration to ensure proper integration into the community; mitigation of any potentially adverse impacts; and making the required findings to permit the use. In considering an application for a conditional use, due regard shall be given to the nature and condition of the proposed or existing use and all adjacent uses and structured and may impose such requirements and conditions with respect to location, construction, maintenance, and operation, as may be deemed necessary for the protection of adjacent properties and the public interest. Conditional Use Permit analysis typically includes consideration of proposed use; hours of operation; consistency with zoning standards such as parking; compatibility with existing uses and structures in the surrounding area; and other criteria as may be deemed appropriate.

A CUP runs with the land unless the use ceases or the CUP is revoked. Once approved, should ownership of the land or the business change, the CUP would remain valid at the location approved. In addition to the CUP land use considerations above, the Cannabis Ordinance 1629 (Municipal Code 25-21.6.50(c)): provides other specific factors that shall be considered by the Planning Commission and ultimately the City Council as follows:

1) The type of proposed use by the applicant:

The requested use is a conditionally allowed use in the zone regulations. The use would fit the category of cannabis manufacturing (volatile), distribution and testing as allowed in the Zoning Land Use Matrix and Article 25-21.6. The use is consistent with the General Plan. General Plan policies that specifically relate to this request include the following:

2.D.3 – Technology Sector: Grow the technology sector in Woodland by leveraging the research strength at U.C. Davis. Encourage smaller companies and start-ups to locate in incubator spaces in Downtown and in areas with the Light Industrial Overlay designation.

2.E.7 – Public Safety and Community Design: Promote design that enhances public safety and discourages crime by providing buildings that engage the street, as well as adequate lighting and sight lines.

4.C.6 – Monitor Trends: Monitor economic trends to identify emerging industries, new market opportunities, and the performance and mix of businesses to allow the City to be proactive and adjust to market changes.

4.C.9 – Importance of Agricultural Industry. Recognize the importance of agriculture-related business and industries to the City and region, and support the continuation and development of agriculture and agriculture-related enterprises in and around Woodland.

4.E.1 – Job Expansion through Business Expansion: Encourage the expansion and attraction of diverse businesses and industries that create and increase the quality and amount of stable, year-round jobs locally.

2) Whether the proposed use will be detrimental to the health, safety and welfare of the community:

The proposed facility would be contained within the existing building with numerous redundant security measures employed via a security plan reviewed and approved by the City of Woodland Police Department. The facility would not have exterior signage and would not be open to the public. Vehicles used to transport cannabis would be unmarked but also secure. The tenant improvement plans will undergo review and inspection by both the Building and Fire Divisions to ensure the proper construction, installation and operation of manufacturing equipment. The City will conduct annual review of the facilities and annual review of the general business operations. The applicant must also comply with all other agencies including health and state operating requirements.

3) Whether the use would enhance the economic viability of the area in which it is proposed to be located, including adjacent and surrounding properties:

The proposed facility will provide a new source of employment and revenue to the City while remaining under close regulation and oversight by both the City and State.

4) Whether the applicant has adequately addressed potential community benefits of the use to offset potential adverse impacts:

At the time of approval of a Cannabis Business Permit, an applicant will be required to pay a fee which has been determined to provide adequate cost recovery to the city for all activities, including police surveillance, associated with the proposed business. Further, as provided in a required operating agreement, a generalized contribution will be determined based on gross receipts derived from cannabis uses that will generate essential funds for protecting vital City services and facilities and mitigate impacts, and will help fund general municipal

services and place such businesses on more equal footing with existing City businesses.

5) The applicant has also included a Community Relations Plan and assigned a Community Relations Manager, Shanan Day. (Attachment 5)

The applicant has also include additional community benefit actions that they propose to conduct their business with good neighbor relations such as neighborhood clean-up and graffiti removal, donating assistance to Meals on Wheels, and Holiday Family Hosting.

6) *The extent of support or opposition to the proposed use and the location from members of the community:*

Public notice of the proposed cannabis use was provided in accordance with state law and consistent with city requirements for notice within a 1,000-foot radius.

7) *The number of cannabis uses located or proposed to be located within 1,000 feet of the proposed location:*

The closest proposed cannabis uses a cannabis manufacturing and a cannabis distribution facility located at 1230 Harter Avenue, Suites F and J, (ProTerp Manufacturing, LLC and Epic Bros Enterprises, Inc) which is approximately 2090 feet from this project site.

However, the reality is that there are a limited number of sites and/or buildings currently available to cannabis uses. This limitation may be due to a number of reasons, such as the reluctance of some owners to lease space to cannabis uses; a lack of availability of smaller spaces within industrial buildings more suitable to smaller scale manufacturing uses; and a number of restricted sites due to their proximity to sensitive uses. It is possible in the future that more cannabis related uses may request to locate in this proximate area due to the appropriate facility size available and a willing property owner.

Comments received have also intimated that vertical integration of uses is the most desirable for quality control purposes and safety. Vertical integration involves the combination of related cannabis uses housed in one facility. It has been suggested that should the city consider allowing indoor commercial cultivation that additional larger sized buildings may function better for cannabis uses.

8) *The extent to which the proposed use would cause a further over concentration of that particular type of use in the area:*

At this time, there is no overconcentration of cannabis uses. See discussion above. The City may find that on a limited scale that it is acceptable to have multiple cannabis uses located in a specific area.

9) *The background and history of the applicant, including the nature and extent of problems on any premises where he or she has operated a cannabis business in the past:*

The applicants have completed all request for “Live Scan” and provided all relevant background information concerning past history with regard to Cannabis uses. At this time, there do not appear to be any significant concerns identified that would warrant a recommendation for denial.

10) *Whether there is a history of police or crime related problems in the area of the proposed location which may be exacerbated by the establishment of the proposed cannabis use.*

The Police Department ran review of calls for service within a 1000-foot radius from the project site for the past calendar year. The calls for service do not reflect a high volume of police activity, especially for crime related calls. It is believed that establishment of the proposed cannabis operation, as conditioned, would not exacerbate crime related activities.

Cannabis Business Permit Review – Municipal Code Chapter 13A

The CBP provides for the review of operational features for each cannabis business entity and is required in addition to a state license. A CBP is required prior to initial operation and requires annual review. Prior to issuance of the CBP fees must be paid and a final Operating Agreement authorized. The CBP is approved by the Community Development Director. Operating details including a Security Plan, Lighting Plan, Odor Control Plan, Business Plan, Community Relations Plan, as well as an Operating Agreement and Indemnification statement are required as part of the CBP review.

Community Relations Plan:

A plan that describes who is designated as being responsible for outreach and communication with the surrounding community, including the neighborhood and businesses, and how the designee can be contacted. The community relations plan must include a description of the community benefit the business will provide, or proposes to provide, to the surrounding community. The applicant has provided an initial Community Benefit/Relations Plan with the CUP application (Attachment 5)

Business Plan:

A plan describing how the cannabis business will operate in accordance with this code, state law, and other applicable regulations. The plan must include plans for hours of operation, handling cash, and transporting cannabis and cannabis products to and from the business site, as may be applicable. Some aspects of this plan may be confidential. The applicant has provided an initial Community Benefit/Relations Plan with the CUP application (Attachment 4)

Odor Control Plan:

A detailed ventilation plan describing the air treatment system, or other methods implemented to prevent offensive odors generated from the manufacturing, testing, and /or storage of cannabis from being detected outside the building. The applicant has provided an initial Community Benefit/Relations Plan with the CUP application (Attachment 6)

Security Plan:

The Draft Security Plan is a confidential document that generally addresses safety concerns related to vandalism, internal and external theft, lighting, video surveillance, security personnel, and other crime prevention. Because this document is confidential, it cannot be attached to this report. All interested parties to a cannabis business permit application are subject to fingerprinting and a criminal background investigation. The security plan has been reviewed by the Police and Fire Departments as part of the conditional use permit review.

Operating Agreement and Indemnification:

The City and applicant shall enter into an operating agreement, in a form approved by the city attorney, in which the applicant releases the city from any damages or liabilities of any kind for violation of state or federal law and agrees to defend, indemnifies, against any and all claims or actions. In addition, the applicant agrees to operating terms and conditions mutually agreed upon that ensure that the community benefits derived from the proposed cannabis business adequately address potential adverse effects.

Appeal

The Planning Commission action on the Conditional Use Permit shall be final unless, within **ten (10) calendar days** after the decision, the applicant or any other person, including the City Council, any individual City Council member, or the City Manager, not satisfied with the decision of the Planning Commission, may appeal to the City Council. No conflict of interest shall exist solely by reason of the filing of an appeal by the City Council, an individual City Council member, or the City Manager. Any appeal shall be filed with the City Clerk and, except an appeal by the City Council, a Council member, or the City Manager, shall be accompanied by a filing fee as prescribed by City Council resolution. The City Clerk shall set a date for a public hearing and shall give notice to the appellant, the applicant, and neighboring property owners in the manner provided in Section 25-27-20.

Attachments:

1. 1 PC Reso Tanforan Ventures CANN CUP with Conditions of Approval
2. 2 Applicaiton and Request Statement
3. 3 Site Plan and Floor Plans
4. 4 Business Plan
5. 5 Community Benefits Plan
6. 6 Odor Control Plan

**PLANNING COMMISSION
RESOLUTION NO. PC 18-0_____**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF
WOODLAND RECOMMENDING THE CITY COUNCIL OF THE CITY OF
WOODLAND APPROVE A CONDITIONAL USE PERMIT FOR CANNABIS
DISTRIBUTION, MANUFACTURING AND TESTING BUSINESSES LOCATED
AT 1460 TANFORAN AVENUE**

WHEREAS, the applicant has applied for a Conditional Use Permit for a commercial cannabis distribution, manufacturing and testing lab facilities within an existing one-story multi-tenant 64,000 square foot building in the Industrial with a Light Industrial Flex Overlay zone; and

WHEREAS, the project is exempt from further environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Class 1 Categorical Exemption, Existing Facilities), as the Planning Commission of the City of Woodland finds as follows:

- The project consists of the permitting and minor alterations of an existing private structure that involves negligible expansion of the use beyond that existing at the time of the lead agency's initial determination as the existing facility is already zoned to allow industrial and manufacturing uses similar to the proposed project;
- The project consists of minor alterations for additional mechanical and security equipment to operate a cannabis business that utilizes existing utility infrastructure;
- The project will not have any biological, air, water, traffic, or noise impacts; and

WHEREAS, the proposed use and its operating characteristics are consistent with the general plan, as the site is located in the Industrial/ Light Industrial Flex Overlay designation, which provides for industrial, distribution, and manufacturing uses that occur entirely within an enclosed building and are employment generating; and

WHEREAS, The Planning Commission finds that the proposed use is consistent with policies that encourage job expansion through business expansion, that encourage emerging industries and new market opportunities, that support agricultural related industry as well as the technology sector; and

WHEREAS, the Planning Commission finds that the proposed use and its operating characteristics are consistent with the applicable standards, requirements, and regulations of the zoning district in which it is located, and of all other provisions contained in Article 25-21.6 pertaining to commercial cannabis uses, and all operations will be conducted inside of the existing building; and

WHEREAS, the proposed use is in on a site and in a building that is physically suitable in terms of location, size, topography, and access, and that is adequately served by public and private services and utilities; and

WHEREAS, the proposed cannabis business uses will not adversely affect the peace or general welfare of the surrounding neighborhood, as follows:

- The proposed use is not consumer based (no retail sales will occur at the premises) and therefore, will result in low vehicle traffic;
- The odor control plan will ensure no odors will be detectible outside the building;
- All activities will take place inside the building and will not be visible from the outside;
- A secured and fenced area will provide a secure area for trash storage.
- All signage will be limited and the applicant will have a final lighting and security plan approved by the Police and Fire Departments to ensure internal and external safety; and

WHEREAS, the proposed use will enhance the economic vitality of the area in which it is proposed to be located, including adjacent and surrounding properties, the applicant will provide tenant improvements to the building including the addition of walls, partitions, and the use of a loading door and fenced secure loading and trash enclosures out side the building, and the project will be required to maintain the site in a clean and well kept manner; and

WHEREAS, based on existing circumstances, police data, and the background and history of the applicant, the Planning Commission finds that proposed use will not cause an overconcentration of cannabis uses in the area, potential community benefits of the use are likely to offset potential adverse impacts, and the proposed use is not likely to exacerbate crime-related problems in the area; and

WHEREAS, a public notice describing the proposed cannabis conditional use permit was published in the Daily Democrat, a newspaper of general circulation, in accordance with Government Code section 60661 and mailed to properties within 1,000 feet; and

NOW, THEREFORE BE IT RESOLVED, that the Planning Commission of the City of Woodland, based on substantial evidence in the administrative record of proceedings and pursuant to its independent review and consideration, does hereby make the above findings, determinations, and recommendations with respect to the proposed Conditional Use Permit and recommends to City Council approval of the proposed Conditional Use Permit, as conditioned and attached hereto.

PASSED AND ADOPTED by the Planning Commission this 20th day of September, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marco Lizzaraga Chairperson

ATTEST:

Cindy A. Norris, Principal Planner

CONDITIONS OF APPROVAL
Tanforan Ventures LLC - 1460 Tanforan Avenue

1. The project is as described in the staff report prepared for the September 20, 2018, Planning Commission meeting and shall consist of administrative offices, cannabis manufacturing (including authorized volatile extraction), distribution and testing facilities within an existing 64,000-foot tenant space. The project shall be established and operated as depicted in the staff report, except as modified in these conditions of approval and with any changes necessary to comply with City codes and specifications.
2. The applicant shall defend, indemnify, and hold harmless the City of Woodland, its agents, officers or employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul an approval of the subject application by the City, its legislative body, advisory agencies or administrative officers. The City will promptly notify the applicant of any such claim, action or proceeding against the City and the applicant will either, at the City's discretion, undertake defense of the matter and pay the City's associated legal costs, or will advance funds to pay for defense of the matter by the City Attorney.
3. The applicant shall secure approval and satisfy requirements of all agencies with jurisdiction prior to operating the cannabis business.
4. The Conditional Use Permit shall not be issued until the appeal period has expired or final action on an appeal has been rendered.
5. The Conditional Use Permit must be exercised within one year of issuance, or it shall be deemed null and void by act of law (Section 25-27-70).
6. The project approval is for the project as described in the above staff report and related attachments, which depict the projects proposed map, site and floor plans, business plan, community relations plan, odor control plan, energy efficiency plan, and plant oil and chemical waste disposal plan. Should there be a change in the use or an intensification of the described use, the change shall be described and provided in writing to be evaluated by the Community Development Director to determine general consistency with the provisions of the use permit. The Director shall either approve the proposed changes based on a finding that the changes shall not result in significant traffic, noise, safety or security concerns or other potential nuisance to surrounding property owners or within public right-of-ways beyond that anticipated by the original approval, or, if these findings cannot be made, the Director shall make a determination that a Conditional Use Permit Modification is required, which shall include Planning Commission review including applicable processing and development fees.
7. Environmental Recording Fee. Applicant shall provide the Community Development Department with a check for the sum of \$50 made out to Yolo County to record the CEQA environmental document (Notice of Exemption) with the County.
8. The applicant shall comply with all state and local ordinances, including the provisions required of Chapter 13A of the Municipal Code and the requirement to secure a Cannabis Business Permit, including approval of an Operating Agreement, for each business entity operating at the location as part of the approved conditional use permit. The applicant shall obtain and maintain, prior to operation of the business and continuing at all times the business is in operation, a valid Cannabis Business Permit and all applicable state license(s). All requirements, terms and conditions of the

Cannabis Business Permit, Operating Agreement, and applicable state license(s) shall be considered conditions of this conditional use permit. Failure to comply with all applicable state and local laws and ordinances, the Cannabis Business Permit, Operating Agreement, and/or applicable state license(s) shall be deemed a violation of the conditional use permit and may result in revocation of the use permit.

9. As set forth and agreed to in the Operating Agreement for each approved Cannabis Business Permit, the business/applicant shall pay a fee in the form and in the amount and manner agreed upon between the City and the business receiving a Cannabis Business Permit. If, during the term of the Operating Agreement, the city imposes an alternative revenue mechanism, specifically related to cannabis operations (e.g. cannabis tax), the business/applicant will pay the city the greater of the two payments, or as otherwise agreed by the City or mandated by law.
10. If the applicant wishes to relocate, significantly modify the approved site layout and allowed cannabis uses, the applicant shall secure a new conditional use permit, or modification to the existing conditional use permit prior to any modification or occupancy of the site by a new or modified use.
11. If the Community Development Director finds evidence that conditions of approval have not been fulfilled or that the use or uses has or have resulted in a substantial adverse effect on the health, and/or general welfare of users of adjacent property, or have a substantial adverse impact on public facilities or services, the Community Development Director may refer the Conditional Use Permit to the Planning Commission for further review. If, upon such review, the Commission finds that any of the adverse results above have occurred, the Planning Commission shall recommend to the City Council to modify or revoke the Conditional Use Permit. If upon such review the City Council finds that any of the above results above have occurred, the City Council shall modify or revoke the Conditional Use Permit.
12. Upon receipt of a Cannabis Business Permit the applicant shall be subject to provisions relating to violations contained in Municipal Code Section 13A-1-09, as may be amended.
13. The applicant shall submit a final security plan for review and approval by the Police Department prior to operation and shall comply with requirements included in Section 13A-4-02, as may be amended.
14. The applicant's business shall not employ any juvenile, defined as under the age of 21.
15. No customers or sales shall occur at the facility.
16. All cannabis related activities shall take place in the interior of the building and any cannabis related activities outside the premises are strictly prohibited with the exception of the lawful receipt of raw cannabis materials received by the business and the delivery of finished lawful cannabis products to another lawful cannabis business in accordance with all applicable state and local laws governing transportation of cannabis goods. There shall be no exterior storage of materials or equipment.
17. The main entrance to the facility shall be clearly identified with proper signage to include name of business and address. Main entrance shall also provide adequate lighting per the City Security Ordinance and lighting regulations.

18. Approved numbers or addresses shall be placed on all new and existing buildings in such a position as to be plainly visible and legible from the street or road fronting the property. Said numbers shall contrast with their background.
19. Applicant shall comply with the design requirements as stated in the Community Design Standards for any exterior changes, modifications, and additions to the subject building. All exterior changes beyond those stated in the original approval will require staff level design review.
20. The site shall be inspected and maintained daily to be clear of litter.
21. Any new signage, modifications or changes to the signage the applicant shall conform to the City Zoning Code and Sign Ordinance and shall comply with provisions of Section 13A-4-04 of the Municipal Code. Except as otherwise approved by the City in writing or by law, project signage shall include nothing in word or symbol, identifying the fact that the property is used for cannabis related activities.
22. No vehicle owned or operated by the business, or used for the transportation of product or individuals associated with the Facility shall include markings (in words or symbols) identifying the vehicle as a vehicle used for cannabis-related activities, unless otherwise required by law.
23. Photometric data shall be provided, and indicate that the parking area will be equipped with one (1) foot-candle of minimum maintained illumination per square foot of parking surface to include the entire paved area. The parking area shall be illuminated from dusk until the termination of business every operating day. Photometric data must also confirm the absent of "Hot Spots" or areas of ten (10) foot-candle of illumination per square foot or more.
24. All existing landscape planter areas shall be replanted and maintained per City Standards. Vegetative matter shall cover no less than 75% of the required landscape area unless otherwise approved by the Community Development Director. Maintenance shall include but is not limited to watering, fertilizing, weeding, cleaning, pruning, trimming, spraying and cultivation.
25. The applicant shall utilize building energy saving measures to reduce energy usage. The applicant shall submit a statement with the initial submittal of their building construction plans describing energy conserving measures that they will be implementing.
26. The applicant shall provide a minimum of two bike parking spaces for employees. Bike parking shall be provided in a safe a secure location.
27. Waste materials shall be appropriately handled. The applicant shall describe methods that will be used to make cannabis waste unusable and unrecognizable, and how cannabis waste will be stored prior to removal from the business. The applicant shall describe methods used to transport cannabis waste from the manufacturing site to a solid waste facility.
28. The applicant shall include a solvent waste disposal plan, including projected accumulation volumes and where on the property the solvent waste will be stored. The applicant shall describe how the business will transport solvent waste from the manufacturing site to a waste facility.
29. The applicant shall have an appropriate plan that considers all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation.

30. The applicant shall establish safety protocols that will be adopted, including, but not limited to: staff training, protective equipment, hazardous material handling, emergency communication/response protocols, etc. The applicant shall conform to all Cal OSHA workplace safety standards.
31. The applicant shall develop a quality control guidelines and standard operating procedures that are in strict adherence to MAUCRSA, and applicable state regulations. The applicant shall establish quality control procedures for each business, manufacturing and testing to ensure that cannabis products are safe and suitable for human consumption and /or use. Quality control procedures will consider the proper handling and storage of raw materials, in-process materials, and finished product throughout the production process and shall ensure uniformity between each separately produced batch of cannabis product. This include equipment inspection and maintenance, internal controls for each step in the process, internal batch sampling and testing.
32. The applicant shall institute policies and procedures used by the business to help prevent contamination of any cannabis product. This will include hand washing, employee training, use of facemasks/gloves, prohibiting employees who are showing signs of illness, open wounds, sores or skin infections from handling cannabis, etc.
33. A toxic material control plan will be provided with the Cannabis Business Permit application that contains a description of all toxic, flammable, or other materials that will be used or kept at the cannabis business, the location of such materials, and how such materials will be stored. The toxic material control plan will include all materials regulated by a federal, state, or local government that would have authority over the business if it was not a cannabis business.
34. The applicant will establish and utilize Standard Operating Procedures that describe the steps the manufacturing facility will take when notified from a testing agency, Health Officials, or California State Regulators, that the tested cannabis product does not meet appropriate health standards. The manufacturing operator shall describe how the business will dispose of all rejected cannabis product associated with the test sample, and ensure that rejected cannabis product is not released to the public. In addition, the manufacturing operator shall provide a recall procedure which describes the policy for communicating with customers and businesses who have purchased the product from the manufacturing facility, as well as health officials. The recall plan shall describe the method to collect recalled product and dispose of it in a manner that ensures it will not be consumed.
35. The distribution and transport facility shall provide a warehouse management system integrating inventory control tools with track and trace technology. The applicant shall provide routing software the cost control mechanisms to prevent diversion, shortages, and ensure product integrity and complete transparency throughout the process. Protocols for loading and unloading, storage, and transportation of cannabis products shall be provided.
36. Any distributor and/or testing laboratory shall comply with all requirements provided by the Bureau of Cannabis Control (Bureau) (www.bcc.ca.gov).
37. Any Cannabis manufacturer shall comply with all requirements provided by the California Department of Public Health (CDPH)

BUILDING

The following comments are from the City of Woodland Building Division and are applicable to the reference project:

38. This project must meet all criteria and mandates for these City adopted codes or the most current code:
- a. 2016 California Building Code
 - b. 2016 California Plumbing Code
 - c. 2016 California Mechanical Code
 - d. 2016 California Electrical Code
 - e. 2016 Building Energy Efficiency Standards
 - f. 2016 California Green Building Code
 - g. The Code of the City of Woodland
39. The project will require engineered building plans for the proposed work to be plan reviewed and inspected to ensure safety. This would include compliance with California Building Codes (including the 2016 California Fire Code Chapter 38 in the July 1st, 2018 Supplement, Plant Processing and Extraction Facilities) and applicable NFPA standards.
40. Other City and County Agencies (Health, Fire, Public Works, and Planning) are be required to approve the project prior to a building permit being issued.
41. A licensed architect or licensed engineer shall be responsible for reviewing and coordinating all submittal documents prepared by others, including deferred submittal items, for compatibility with the design of the building.
42. The project will provide a final odor control plan for review and approval prior to issuance of building permits.

FIRE

43. One-hour separation wall shall be inspected for integrity and conformance to original installation standards. Inspection shall be performed on both sides of the rated wall.
44. Exit doors shall be provided with panic hardware. Exit doors shall swing in the direction of egress travel.
45. Provide exit signs and emergency means of egress illumination.
46. Prior to final occupancy, provide confirmation from a licensed professional (fire protection engineer) indicating the existing fire sprinkler system adequately provides the level of protection required for the specific operation and associated hazardous materials involved.

ENVIRONMENTAL SERVICES

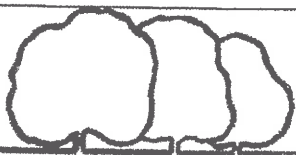
47. Management of Waste
- a. If the waste generated from the cannabis facility contains green byproduct, meaning that it contains buds or that the byproduct can still be used for the making of oils or the like, then the materials must be serviced as waste (trash). Yolo County Central Landfill requires these loads to obtain a certificate of destruction with each disposal.
 - b. If the waste generated is brown and does not contain buds or usable byproduct, then the materials should be hauled as organic waste, which will be composted and considered diverted materials. If loads taken to the Yolo County Central Landfill contain any green byproduct, they will be processed as waste and will require a certification of destruction.

- c. Any hazardous waste materials generated (i.e. solvents, pesticides, chemicals, lamp ballasts, canisters/cylinders, personal protection equipment with residual, etc.) must be disposed of through a hazardous waste facility. Yolo County Central Landfill accepts commercial hazardous waste through their Conditionally Exempt Small Quantity Generator (CESQG) business program.
- d. Recycling (cardboard, paper, and plastic, glass, or metal containers) is also required and should be separated from any waste or organics recycling loads.
- e. Materials may be self-hauled to a waste or compost facility by the business in which the materials were generated. If self-hauled to the Yolo County Central Landfill, the above disposal procedures will be in effect.
- f. If the materials are not self-hauled, Waste Management is the exclusive waste, recycling and organics recycling hauler for Woodland and must be used for disposal services. The business may not pay another company besides Waste Management to haul waste, recyclables, or organic materials.
- g. The types of services, collection frequency, and bin sizes for waste and/or organics recycling services should be determined through Waste Management upon an assessment of the facility and types of materials generated.
- h. Depending on the amount of materials generated, all waste generated from the facility should be removed from the premise no less than one time per week.
- i. The City of Woodland, its residents and businesses have an obligation to meet state-mandated waste diversion requirements and requests that businesses make the highest effort possible to divert their waste through recycling or composting (organics recycling). Waste generated by a business should be processed in a manner that meet the landfill's requirements for acceptance as organic waste/composting.
- j. Bins (dumpsters), roll-offs (debris boxes), or trailers used to collect materials be stationed in an area not generally accessible to the public. Bins should be padlocked, located inside of the business to deter scavenging.

POLICE

- 48. Site plans and floor plans shall be completed to the satisfaction of the Police Department CPTED requirements prior to issuance of building permits.
- 49. Exterior lighting shall be white light using LED lamps with full cutoff fixtures to limit glare and light trespass. Color temperature should be between 2700K and 4200K with a color rendering index of 75 or better and a light loss factor of 0.95 or better. All existing exterior fixtures shall be replaced with fixtures that meet this requirement.
- 50. Broken or damaged exterior lighting shall be repaired or replaced within 48 hours of being noted.
- 51. Exterior lighting shall be shielded or otherwise designed to avoid spill-over illumination to adjacent streets and properties.

52. Tree canopies shall not interfere with or block lighting. This creates shadows and areas of concealment. The landscaping plan shall allow for proper illumination and visibility regarding lighting and surveillance cameras through the maturity of trees and shrubs.
53. All solid core doors shall be equipped with a 180 degree viewing device to screen persons before allowing entry.
54. The business shall be equipped with and maintain a security system with an alarm system with a valid UL Certificate in accordance with ANSI/UL Standard 681-2014 (Standard for Installation and Classification of Burglar and Holdup Alarm), Extent No 3; and a Video Assessment and Surveillance System (VASS).
55. A hold up alarm shall be employed near the transport area, lobby, employee entrance and safe(s).
56. Burglar alarms shall cause the dispatch of a properly licensed private patrol.
57. Hold up alarms shall cause the dispatch of the Woodland Police Department.
58. The Security system shall be equipped with at least 24 hours of continued operation time in case of power failure.
59. The Security system shall be equipped with cellular backup in case of phone line disruption.
60. The facility shall be staffed at all times that the security system is not fully functional.
61. A log shall be maintained that shows when the alarm system was armed and disarmed, and by whom.
62. VASS storage shall be kept off-site or in a secured area accessible only to management.
63. VASS shall be capable of no less than 30-days worth of activity and shall provide comprehensive coverage of: safe, areas of ingress and egress, parking lot, loading areas, areas not clearly visible from public streets, and coverage of all exterior areas of the building.
64. Monitors displaying the employee parking area shall be mounted in a visible location near the door from which employees will arrive and depart so that employees may monitor the outside environment prior to departing the facility.
65. The applicant is responsible for reasonably controlling the conduct of persons of the site and shall immediately disperse loiterers.
66. Applicant shall install a "Knox Box" for police access of the exterior areas of the property after hours.



City of Woodland

Community Development Department

300 First St, Woodland CA 95695
(530) 661-5820 Fax (530) 406-0832
www.cityofwoodland.org

General Application Form

1. Owner/Applicant

PROPERTY OWNER:

Ethan G. Conrad

MAILING ADDRESS:

1300 National Drive, Suite 100

CITY STATE ZIP CODE:

Sacramento, CA 95834

PHONE NUMBER:

(916) 779-1000

E-MAIL ADDRESS:

ethan@ethanconradprop.com

PROJECT APPLICANT

Tanforan Ventures, LLC

MAILING ADDRESS:

1460 Tanforan Ave, Unit B

CITY STATE ZIP CODE:

Woodland, CA 95776

PHONE NUMBER:

(916) 247-0094

E-MAIL ADDRESS:

S.day1@sbglobal.net (2ndary)

Shanan@treebirdco.com (primary)

2. Application Requested

- | | | |
|--|--|---|
| ☐ General Plan Petition | ☐ Zoning Amendment | ☐ General Plan Amendment |
| ☐ Tentative Subdivision Map | ☐ Tentative Parcel Map | ☐ Lot Line Adjustment |
| ☐ Site Plan Review | ☐ Design Review | ☐ Sign Design Review |
| ☒ Conditional Use Permit (CUP) | ☐ Zoning Administrator Permit | ☐ Variance |
| ☐ Public Convenience or Necessity | ☐ Other _____ | |

Is this request part of another application? ☐ Yes ☒ No If so, what? _____

3. Project Description

Project Name:

1460 Tanforan Avenue, Unit B

Total Acres or Square Feet

9.891 Acres

Site address or location:

1460 Tanforan Ave, Unit B

Assessor's Parcel Number:

027-450-070-000

Is Your Project Located in a Flood Zone?

☒ Yes

☐ No

Does this request include signage?

☐ Yes

☒ No

4. Justification for Request



On a separate sheet, explain in detail your request and why you believe your request is justified.

CANN - Tanforan Ventures LLC

PLNG-18-00027

5. General Plan Amendment

Existing General Plan Designation

Industrial

Gross Acres

9.891 A.C

Proposed General Plan Designation

N/A

Gross Acres

N/A

6. Zoning Amendment

Existing Land Use Zone

GP

Gross Acres

9.891 A.C

Proposed Land Use Zone

NA

Gross Acres

NA

7. Residential Development

No. of residential units are being requested? 0

No. of lots will be created by this project? 0

Single Family

Half-plex

Do you intend to market the units for sale?

Duplex

Apartments

☐ YES

☒ No

Condominiums

Other

Do you intend to market the units for rent?

Townhomes

Total Units

☐ YES

☐ No

8. Commercial/Industrial Development

Indicate the type of commercial/industrial development proposed:

Manufacturing, Distribution, Testing

Indicate the gross and leasable square footage for each type of development:

Testing: 5,184 SF; Admin: 1,721 SF
MANUF: 8,844 SF; Distrib: 13,945 SF;

9. Authority to File Application

Check one:



Property Ownership



Power of Attorney*



Contract to Purchase*



Other

Specify _____

* Attach Evidence of Authority _____

I hereby certify that the above information and accompanying documents are true and accurate to the best of my knowledge and acknowledge that the processing of this application may require additional fees and expenses for the preparation of necessary environmental documentation and planning studies. I certify that I have reviewed the current Hazardous Waste and Substances Site List, developed pursuant to AB 3750, and found that my project is not on the list.

APPLICATION WILL NOT BE ACCEPTED WITHOUT SIGNATURE OF LEGAL OWNER OR OFFICIAL AGENT

Date Received Stamp Here

Tanforan Ventures, LLC
Applicant:

3/30/18
Date

[Signature]
Legal Owner:

3/30/18
Date

Legal Owner:

Date

DEPARTMENT USE ONLY

Amount Paid: _____

Project No: _____

Amount Due: _____

Logged by: _____ Date: _____

GP / Zoning Designation: _____

Planner: _____ Date: _____



LETTER OF AGENCY

If the applicant is not the owner of record of the subject site, a Letter of Agency from the owner, or the owner's authorized representative must be submitted which grants the applicant permission to apply for the requested entitlements(s). The Letter of Agency must be notarized.

Date: 3/30/18

To: City of Woodland
Community Development Department
300 First Street
Woodland, CA 95695

Community Development Department:

I, the undersigned legal owner of record, hereby grant permission to:

Applicant: Tanforan Ventures, LLC Phone: (916) 247-0094

Applicant's Address: 1460 Tanforan Avenue, Unit B
WOODLAND, CA 95776

To apply for the entitlement(s) listed below

☐ General Plan Amendment	☐ Zoning Amendment	☐ Tentative Subdivision Map
☐ Tentative Parcel Map	☐ Specific Plan Amendment	☐ Lot Line Adjustment
☐ Variance	☐ Conditional Use Permit	☐ Planned Development
☐ Site Plan Review	☐ Design Review	☐ Zoning Administrator Permit
☐ Specific Plan	☒ Cannabis Business Permit	☒ Cannabis Conditional Use Permit
Is this request part of another application? Yes ☐ No ☐	Other:	

The subject property is located at: 1460 Tanforan Ave., Unit B, Woodland, CA 95776

Assessors Parcel Number: 027-450-070

X [Signature]
Signature of Owner(s) of Record (must be an original signature)

Ethan G. Conrad
Print Legal Owner(s) of Record Name

1300 National Drive, Suite 100, Sacramento, CA 95834
Address of Legal Owner (attach title report) Phone: (916) 779-1000

E-mail Owner(s) of Record: ethan@ethanconradprep.com

State of California

) ss.

County of Sacramento

On 3-30-2018 before, me Kathryn Jones Faires, ^{notary public,} personally appeared
Ethan G. Conrad

- ☐ Personally know to me ☒ Proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~ ~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity(ies), and that by his/~~her~~/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal:

Kathryn Jones Faires
Signature of Notary Public



Project Narrative-revised with CUP modifications to include Suite A of the proposed Tanforan Project

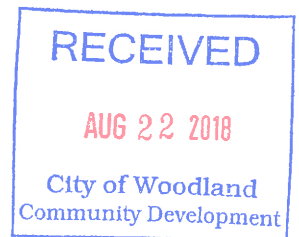
The proposed building is on a 430,000 SF (9.891 acres) parcel consisting of 1460, 1462 & 1464 Tanforan Avenue. This project is considering only 1460 Tanforan Avenue, which is 64,000 square feet. The building currently consists of two suites: A & B.

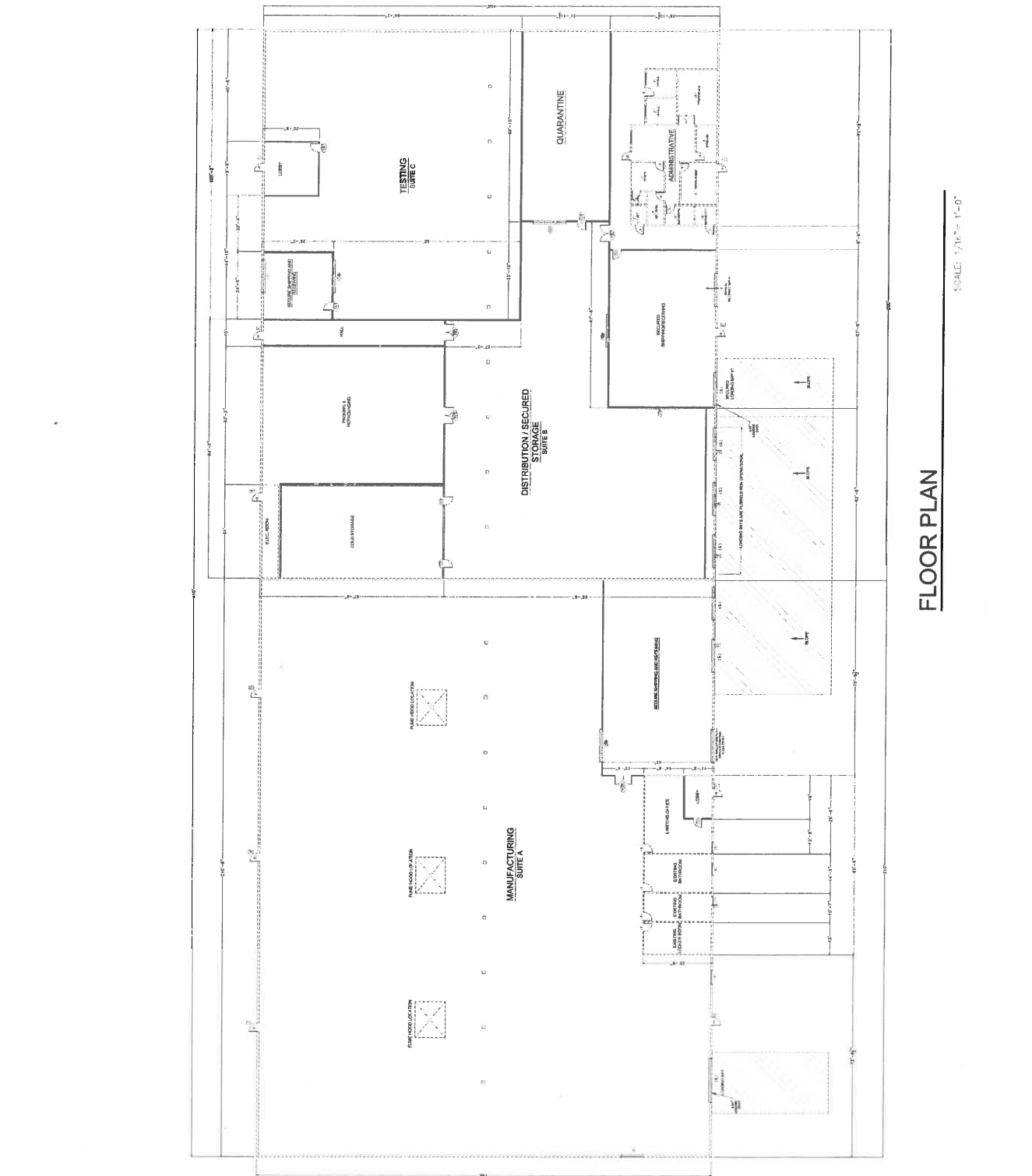
A new suite, Suite C, will be built out to house the proposed testing lab. The following is the breakdown per the CUP floor plan drawings:

Suite A - 32,000 SF. High Five Solutions Inc. - Manufacturing, License Types 6 & 7.

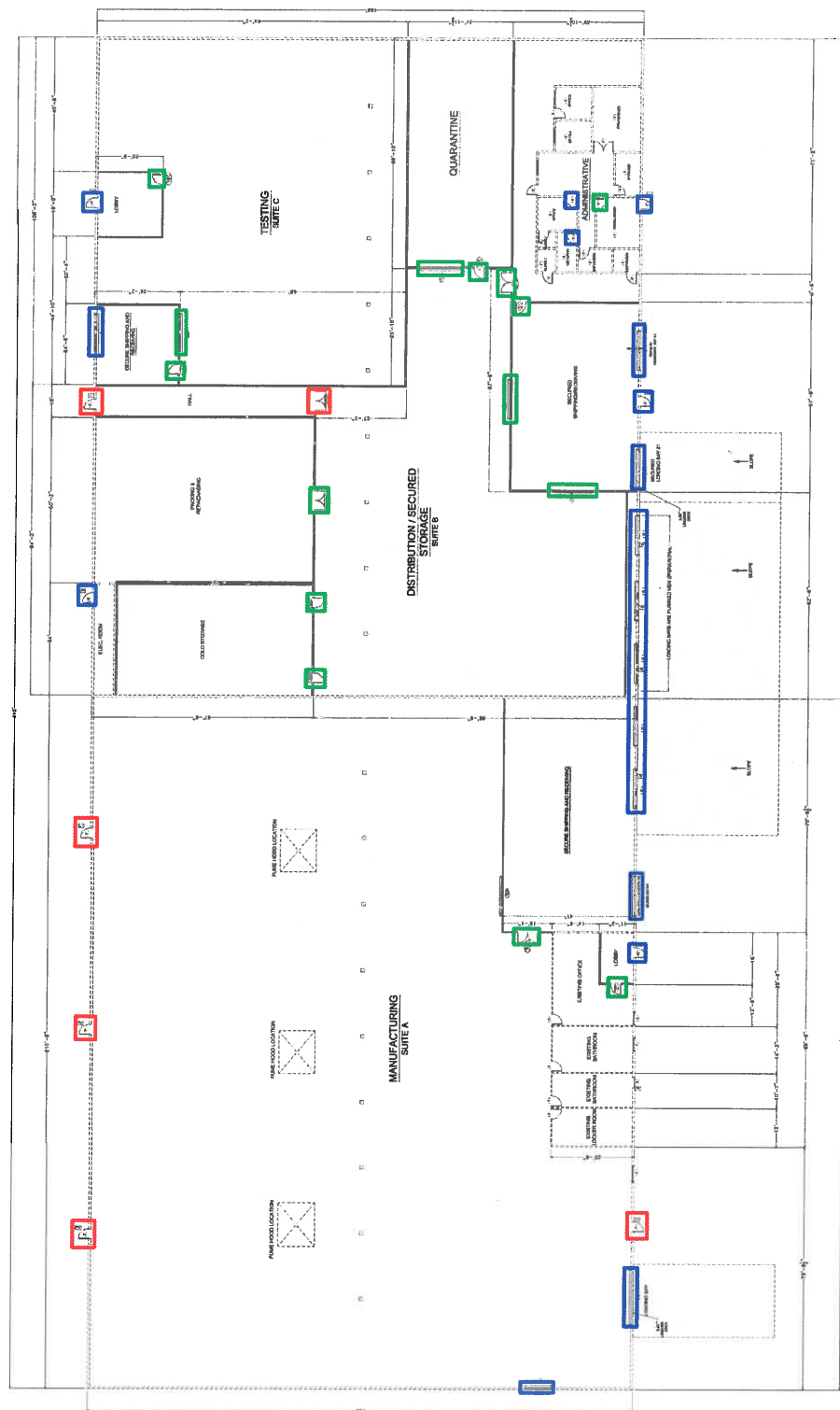
Suite B - 22,000 SF. ORMEX Enterprises, LLC. Distribution, License Types 11 & 12 and Tanforan Ventures, LLC Administrative support for the campus.

Suite C - 10,000 SF. Proposed Testing Lab, License type 8.





SECURITY PLAN - ACCESS CONTROL
 RED = EMERGENCY EXIT ONLY (ALWAYS ALARMED)
 BLUE = REQUIRES MANAGEMENT CREDENTIALLED KEYFOB FOR THE RESPECTIVE DISTINCT PREMISES/LICENSEE TO ACCESS
 GREEN = REQUIRES EMPLOYEE CREDENTIALLED KEYFOB FOR THE RESPECTIVE DISTINCT PREMISES/LICENSEE TO ACCESS



FLOOR PLAN

SCALE: 1/16" = 1'-0"



High Five Solutions, Inc. & ORMEX Enterprises, LLC
BUSINESS PLAN

Category: Manufacturing + Distribution

Description

High Five Solutions, Inc. & ORMEX Enterprises, LLC are applying for cannabis manufacturing and distribution licenses and will be conducting business in Woodland, California.

High Five Solutions, Inc. & ORMEX Enterprises, LLC are dedicated to making the safest and cleanest cannabis concentrates and extracts and distributing them to licensed retailers.

The companies will also produce premium quality cannabis edibles and topicals products to distribute through wholesale transactions to qualified, licensed and vetted cannabis establishments.

High Five Solutions, Inc. is a newly created business applying for Manufacturing in California. ORMEX Enterprises, LLC is a new full service cannabis distributor business.

Date Created:
08/21/2018



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Executive Summary

Company Summaries

High Five Solutions, Inc. is dedicated to produce and sell wholesale cannabis concentrates, edibles and topicals to service the exploding infused products industry. High Five Solutions, Inc. believes concentrates, edibles and topicals are the cleanest, most accessible way to consume the beneficial aspects of the cannabis plant. High Five Solutions, Inc. intends to start its manufacturing business November 2018.

ORMEX Enterprises, LLC was founded to serve the Adult and Medicinal cannabis community in California as a distribution company. ORMEX Enterprises, LLC will carry an extensive product portfolio which includes flowers, concentrates, edibles, dosables, and accessories from reputable and award-winning brands. We will create an efficient supply chain by acting as the intelligent hub sitting between retail dispensaries and the brands who cultivate and manufacture the products they sell. We will offer flexibility in the form of three unique programs for cultivators, processors and manufacturers.

Main Goals:

- ✓ To safely produce high-grade cannabis infused products and build a recognizable brand in a rapidly growing industry.
- ✓ To be fully compliant with all state and local municipalities and be primed and ready for national expansion as federal laws adjust and evolve to the benefit of the cannabis industry.
- ✓ To become an industry-leader in the blossoming extraction industry.
- ✓ To provide our retailer partners with top quality cannabis products for a superior path to success.
- ✓ To help our brand partners achieve greater market penetration through a superior approach with high volume licensed and compliant retailers.

Mission:

- ✓ Safely creating value through reliable service, supply-chain integrity, and a quality guarantee.

Main Objectives:

- ✓ Getting the California Cannabis Manufacturing and Distribution licenses necessary to operate in the legal market.
- ✓ Net annual income to support operational expenses.
- ✓ Monthly sales and capacity increasing steadily throughout the first year.

Market Opportunities

Sixty Percent of the U.S. population now lives in states that have legalized some form of cannabis use and sales, illustrating the rising acceptance of cannabis nationwide and highlighting the industry's immense potential for future growth.

The passage of initiatives in California, Nevada, Massachusetts, Maine, Florida, Arkansas, Montana, North Dakota, and West Virginia will add \$7.4 billion to the 2021 market forecast bringing the overall market projection for legal adult-use and medicinal sales in North America to \$24.5 billion by 2021. That brings the compound annual growth rate (CAGR) to 28%.

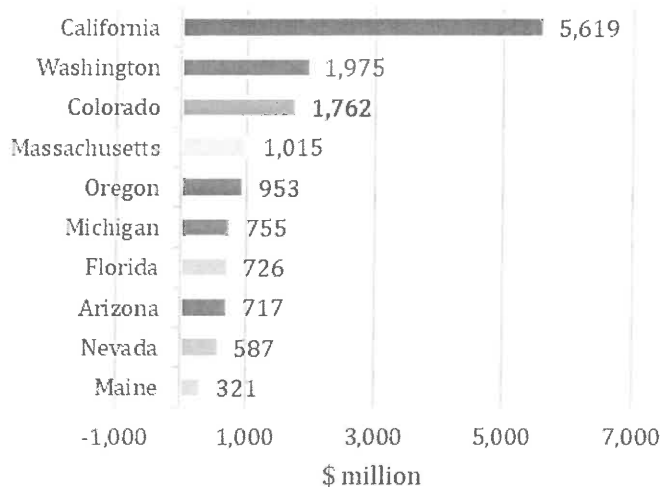


Figure 1. Medical and recreational cannabis sales in top states, 2020

In 2015, California lawmakers and the governor approved legislation creating the Medical Cannabis Regulation and Safety Act (MCRSA) to regulate the state's MMJ industry, which has been governed by a patchwork of local rules. The MCRSA took effect in January 2016,

and the government has until Jan. 1, 2018, to develop statewide rules.

On November 8, 2016, California voters have approved cannabis for recreational use. The California Legislature passed, and the Governor signed into law, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), which creates the general framework for the regulation of both commercial medicinal and adult-use (recreational) cannabis. Under MAUCRSA, the California cannabis industry is regulated by three state agencies: Bureau of Cannabis Control (distribution, testing, retail and micro-business), Department of Food and Agriculture (cultivation), Department of Public Health (manufacturing).

Recreational cannabis sales officially began in California, and the agency had issued 404 temporary business licenses for cannabis companies, as of Jan. 1, 2018.

Over the next five years the total California market to grow at a compounded annual rate of 18.5% to \$5.6 billion by 2020 according to the Arcview Market Research projections.

Market Overview

North American Cannabis Market

Although the federal government still considers the use of cannabis a criminal offence, more than half the states of America have legalized it in some form. Most states sell it only for medicinal purposes, often broadly defined. But eight states – Alaska, California, Colorado, Maine, Nevada, Massachusetts, Oregon and Washington – and the country's capital have gone further, legalizing the recreational use. Legal weed is more high-priced than the black market variety, but it is better value: three times more potent and only about 50% more expensive¹.

Legal cannabis reached almost \$10 billion in North America in 2017, according to a new report from cannabis industry analysts Arcview Market Research, in partnership with BDS Analytics. That represents an unprecedented 33% increase over 2016.

The report further predicts the entire legal cannabis market to reach \$24.5 billion in sales – a 28% annual growth rate by 2021 – as more states legalize cannabis for recreational use and existing markets mature.

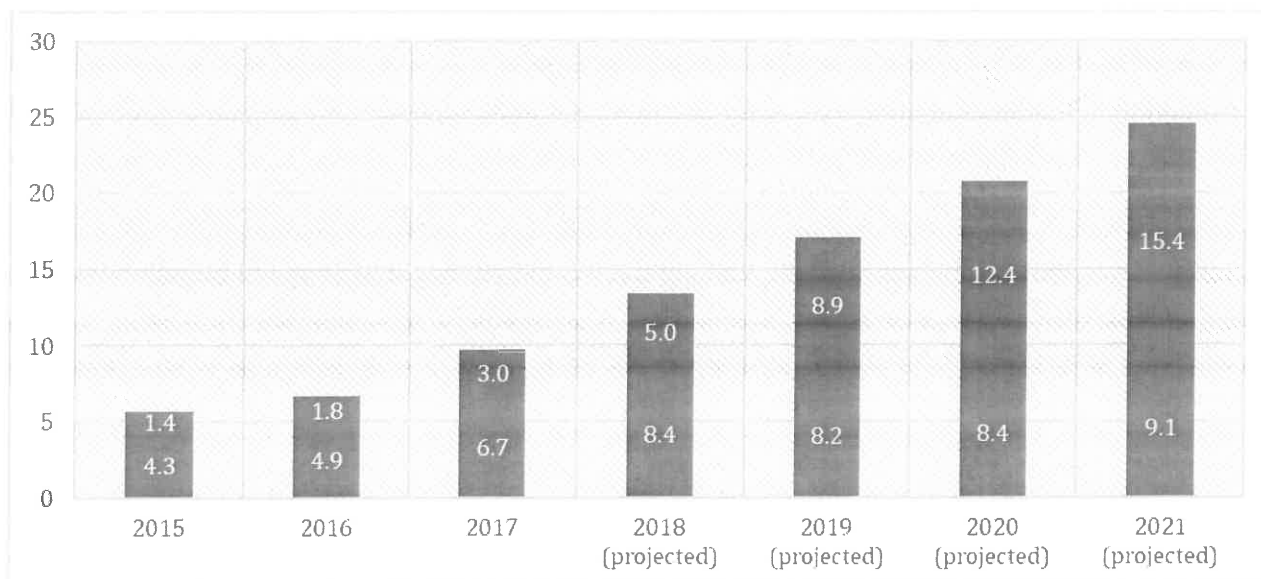


Figure 2. Medical and recreational cannabis sales forecast, billion \$

¹ <http://www.economist.com/blogs/graphicdetail/2016/02/daily-chart-10>

60% of the U.S. population now lives in states that have legalized some form of cannabis use and sales, illustrating the rising acceptance of cannabis nationwide and highlighting the industry's immense

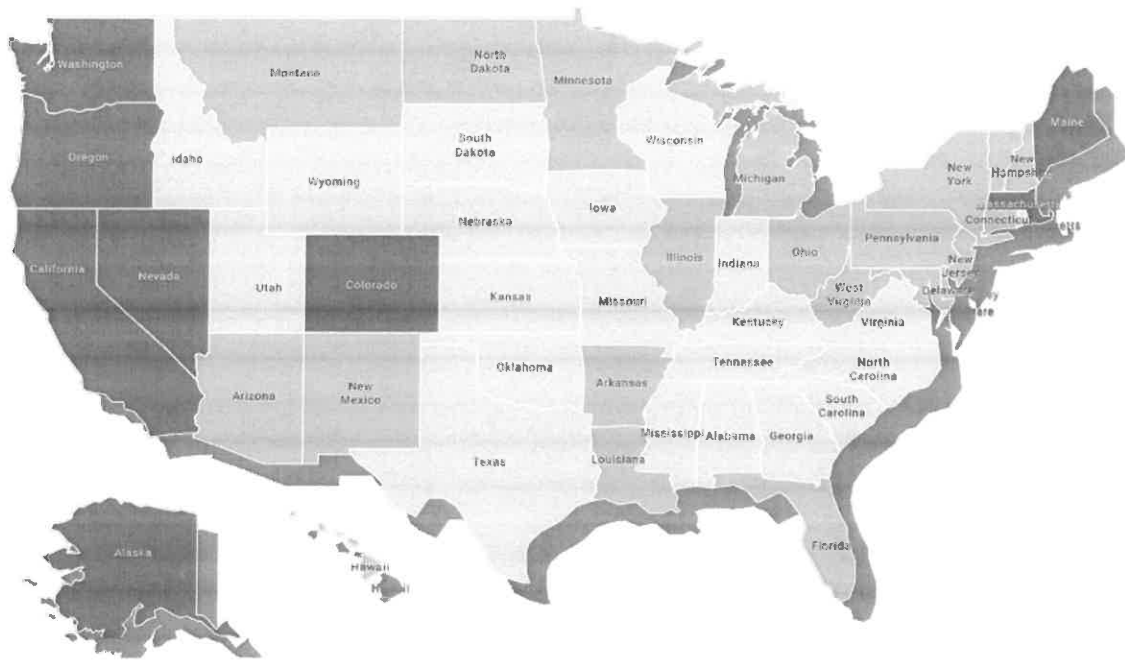
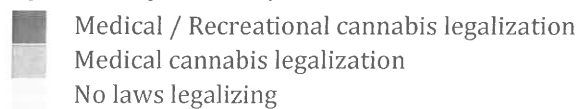


Figure 3. U.S. legalization map



potential for future growth.

9 November 2016 three new states approved cannabis medical using: Arkansas, Florida and North Dakota. Four others that already had medical cannabis laws, legalized recreational. New markets could create \$7 billion to \$8 billion in additional retail revenue for the industry, according to estimates by Marijuana Business Daily.

As at January 2018, there are 30 States that now allow cannabis for medical use, 16 States allow Cannabidiol (CBD), 9 States and the District of Columbia now allow for recreational cannabis use.

There are 9,397 active licenses for cannabis businesses in the U.S., according to Ed Keating, chief data officer for Cannabiz Media, which tracks cannabis licenses. This includes cultivators, manufacturers, retailers, distributors, deliverers and test labs.

The industry employed 121,000 people in 2017. If cannabis continues its growth trajectory, the number of workers in that field could reach 292,000 by 2021, according to BDS Analytics.

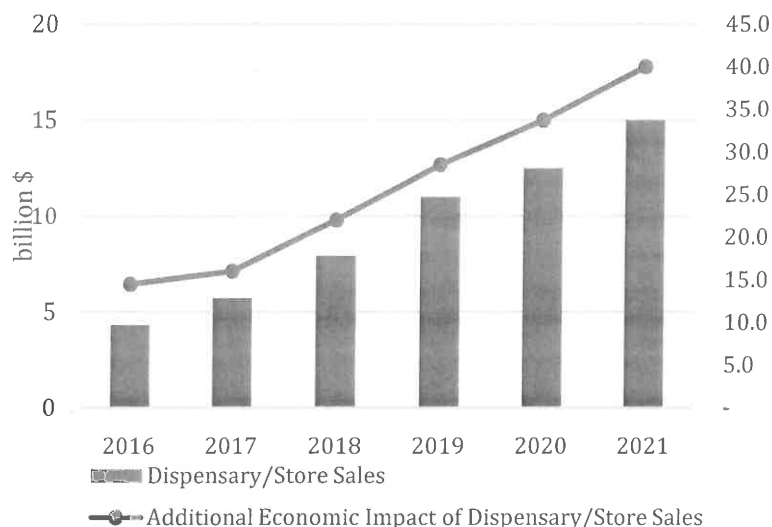


Figure 4. Cannabis retail industry economic impact

of MMJ markets in Maryland and Hawaii. At the same time, fledgling medical marijuana programs in states such as Illinois, Nevada and New York could post impressive growth last year.

The expected growth comes after a solid 2016, when recreational cannabis sales jumped by 80% to hit \$1.8 billion. Colorado and Washington led the charge, while Oregon's adult-use market posted strong sales gains in its first full calendar year of operation. The industry also saw a spike in medical marijuana sales last year, as patient counts rose in new MMJ states and continued climbing in mature markets like Arizona and Michigan.

The increase in retail sales over the next five years will provide a substantial economic boost for the United States. The total economic output from legal cannabis will grow 150% from \$16 billion in 2017 to \$40 billion by 2021, according to the "US Legal Cannabis: Driving \$40 Billion Economic Output" report released by Arcview Market Research, in partnership with BDS Analytics.

The level of sophistication and involvement among investors in the marijuana industry varies quite widely, as some belong to cannabis-specific venture capital firms while others have taken a material interest in a friend or family member's cannabis business. For example, only a handful of investors in our survey indicated they intend to invest over \$25 million in cannabis companies, whereas a large portion of respondents plan to invest less than \$20,000.

But in general, more investors are pumping money into the cannabis industry than ever before, and they're also increasing the size of their capital placements. The average investor/investment firm involved in the cannabis industry has placed \$450,000 in cannabis companies.

U.S. Cannabis Retail Market

BDS Analytics estimates that the retail sector owed \$1 billion in state taxes in 2016 and owes another \$1.4 billion for 2017.

In 2017, overall cannabis sales in the United States at the retail level to soar by 31.5%, hitting \$5.7 billion on the back of continued growth in existing recreational cannabis markets.

In fact, rec sales are expected to surpass medical next year for the first time ever. Medical marijuana sales also are expected to buoy the industry, fueled in part by the expected launch

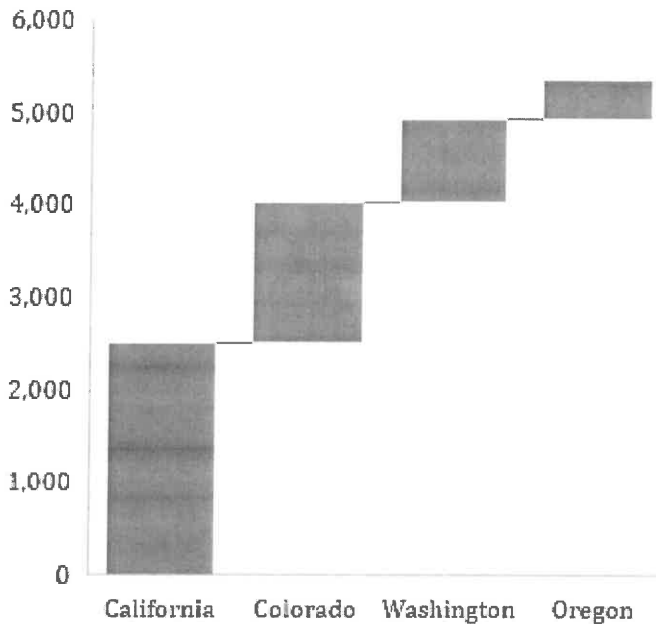


Figure 5. Medical and recreational cannabis sales in top states, 2017

Target Market

Legalization

In 1996, California became the first state to allow for medical marijuana use. State voters approved Proposition 215, the law that made it legal for doctors to recommend cannabis to patients.

California has 482 cities and 58 counties, all with the power to govern their own medical marijuana industries. The methods they choose vary throughout the state. Some local governments have rules limiting the number of dispensaries and where they can open. Others passed ordinances banning all marijuana cultivation.

In California, the weather conditions are ideal for cultivating cannabis outside, while a lot of marijuana is also grown indoors in massive warehouses. The state's marketplace is also known for its decades-long experience developing cannabis strains. Third-generation growers and breeders have some unparalleled knowledge of the plant and of the related regulatory environment compared to other states.

In the years since medical legalization, consumers have become more educated and sophisticated about products, and the state's medical market is relatively saturated. Consumers have high expectations for quality, according to ArcView research.

In 2015 Gov. Jerry Brown signed three bills that toughened regulations for medical cannabis businesses and sought standards for documentation and testing. The bills are known as the Medical Marijuana Regulation and Safety Act, or MMRSA for short. Collectively, the legislation also paved the way for medical cannabis businesses to turn a profit. The legislation is impacting marijuana business models in other ways. The laws have eliminated the idea of home-based dispensaries.

On November 8, 2016, California voters have approved cannabis for recreational use.

On November 16, 2017, California published rules and regulations to implement voter approved Proposition 64, the Adult Use of Cannabis Act of 2016, which legalized adult use of cannabis in the State of California. The California Legislature passed and the Governor signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), which creates the general framework for the regulation of both commercial medicinal and adult-use (recreational) cannabis. Under MAUCRSA, the California cannabis industry is regulated by three state agencies: Bureau of Cannabis Control

(distribution, testing, retail and microbusiness), Department of Food and Agriculture (cultivation), Department of Public Health (manufacturing).

Recreational cannabis sales officially began in California and the agency had issued 404 temporary business licenses for cannabis companies as of Jan. 1:

- 140 medical and 94 adult-use retail licenses
- 21 medical and 18 adult-use microbusiness licenses
- 49 medical and 40 adult-use distributor licenses, along with another four medical and five adult-use that are transport-only
- 12 medical and nine adult-use retail non-storefront retail licenses (for delivery companies)
- 12 testing labs

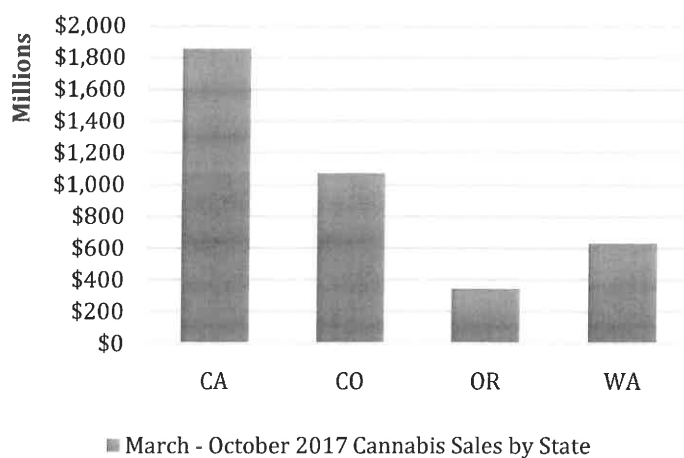


Figure 6. March - June 2017 Cannabis Sales by State

\$1.856 billion.

In fact, sales in California represent about 34 percent of legal sales in the United States. In comparison, combined sales in Colorado, Washington and Oregon represent 41 percent of U.S. sales according to BDS Analytics report.

At year-end 2018, sales from recreational use are projected to account for over half of total Concentrate sales in California and continue to increase in proportion to overall category sales.

Market

In 2017, California's regulatory regime allowed only holding state-issued medical cannabis cards to legally purchase cannabis. But that hasn't stopped sales in the state from eclipsing the other states with recreational sales.

In March of 2017, BDS Analytics began tracking and reporting dispensary sales trends for California's cannabis industry. Between March and October of 2017, total sales through dispensary and delivery services across the most populous state in the country reached



Figure 7. Medical and Recreational sales projections

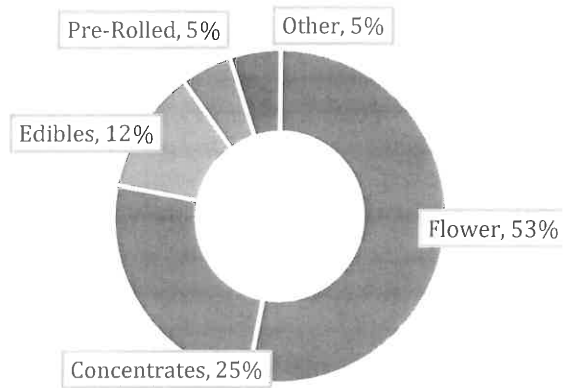


Figure 8. Cannabis products sales structure

Californians spend most of their dollars (53 percent) on flower. Concentrates, the next largest slice of the cannabis pie, captures 25 percent of the market. Edibles, with 12 percent, come in third. Pre-rolled joints grab 5 percent of the market, and non-THC items like apparel and devices represent much smaller slivers of the marketplace.

According to a study by the University of California Agricultural Issues Center, California's recreational cannabis market could be worth more than \$5 billion;

however, the benchmark will only be achieved once cannabis consumers fully embrace the state's legal

market. While recreational cannabis market is expected to grow, medical cannabis sales are expected to decline down to \$600 million as people migrate toward the adult-use market to avoid medical cannabis ID fees. After the state adopts regulations, legal recreational use will make up 61.5 percent of the overall market, illegally purchased marijuana will make up about 29.5 percent of the market and legal medical marijuana use will be about 9 percent of the overall market, the analysis estimated.

A report from the cannabis industry research firm BDS Analytics estimates sales of cannabis to hit \$3.7 billion in 2018 alone and predict that number will increase to \$5.1 billion in 2019 as more dispensaries come online.

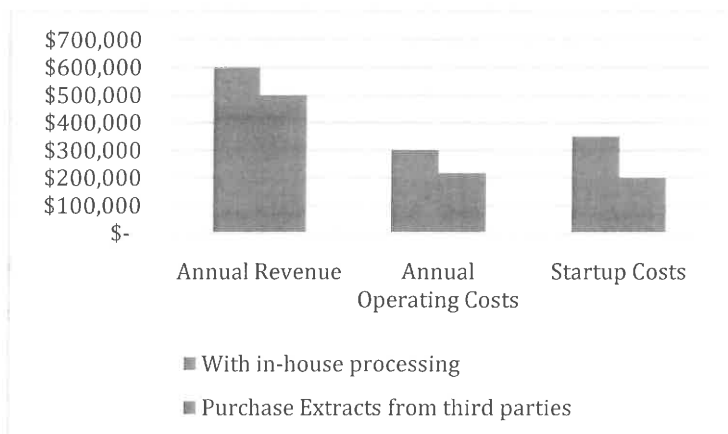
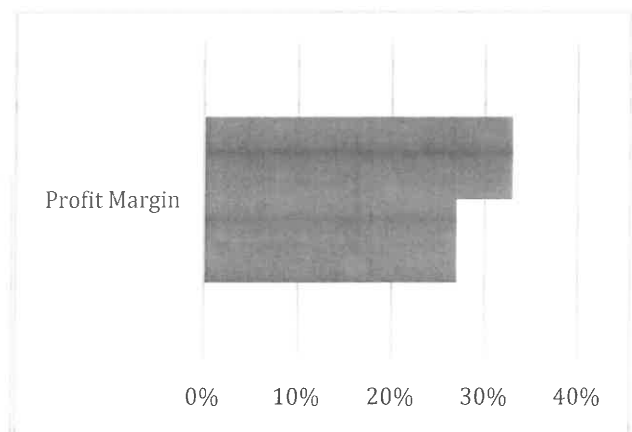


Figure 9. Profit & Costs benchmarks



Concentrates and Infused Products Sector Analyses

Ryan Long, the head of business development for California-based Absolute Extracts, figures that there are probably “hundreds” of concentrate producers across the country.

That estimate includes companies focused specifically on making concentrates, dispensaries that produce and sell their own concentrates, and small one- to two-man operations in places where concentrates are still either illegal or only partly legal, such as in Michigan.

Many of today’s larger concentrates companies started as tiny operations, but a good number have quickly moved out of basements and into industrial warehouses featuring high-tech equipment that costs tens of thousands of dollars.

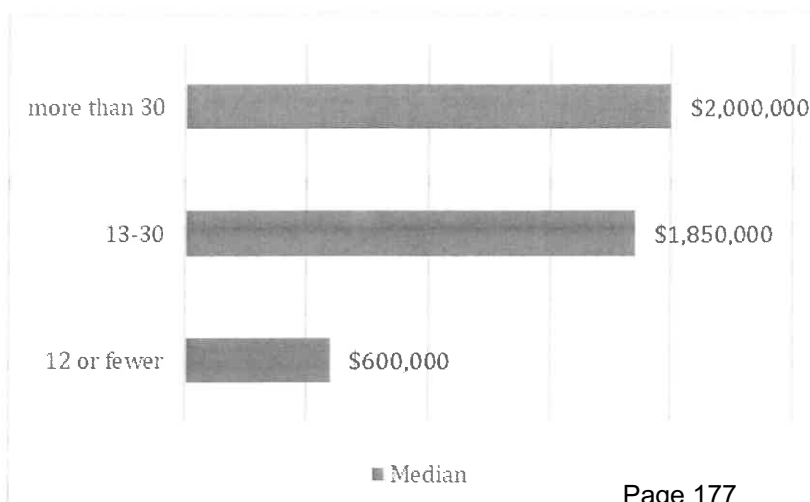
From a business perspective, the profit margins can be huge, in some cases up to 60%. And demand is growing rapidly as the availability of concentrates increases.



Customers are also willing to shell out top-dollar for these products. Nationally, patients and consumers who favor concentrates spend an average of \$4,800 each year, more than double the average amount spent by cannabis users in general, according to What Cannabis Patients and Consumer Want, a marketing research report published by Marijuana Business Daily.

Companies are going to be constantly on the lookout for ways to improve their processes and maximize their returns on the cannabis plants they use.

According to BDS Analytics, cannabis concentrate’s market share grew from 9.8% to 11.7% from 2016 to 2017, while traditional cannabis flowers’ market share fell 67.3% to 63.2% for the same time period.



The majority of infused product companies produce fewer than 12 products, which is why median revenue for this group of businesses is so similar to that of infused product companies as a whole.

While companies that produce more than 30 products are generating

more revenue than businesses with a smaller range of offerings, it's likely not because they're producing more products. Rather, successful businesses are expanding on their product lines as they grow, and the wider selection is a result of added revenue.

Lastly, the market in some states is maturing, and consumers/patients are increasingly demanding new types of products – leading to greater innovation and offerings.

The majority of infused product companies are manufacturing more than one type of good – typically edibles and concentrates, as these categories dominate the infused product landscape. Nearly half of all businesses are producing topicals, though just a small number have chosen to focus on this category exclusively – as it comprises a relatively small portion of the retail and medical markets.

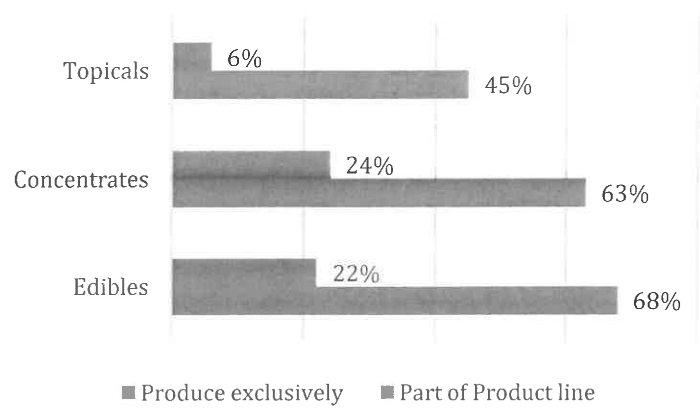
Infused product companies are a relatively new type of cannabis business, as the market for products like vape cartridges and infused lotions was essentially nonexistent in most markets just five years ago. But despite the lack of experience for most businesses in this segment of the industry, consumer and patient demand has been steadily increasing.

Entrepreneurs are drawn to this segment of the industry because of the strong demand, falling price of wholesale cannabis and a general lack of restrictions on the number of available licenses in some key markets. There's also the potential for more sophisticated players to establish large and recognizable brands, as the same basic principles that make for a successful product in the traditional economy apply to the cannabis industry as well. An increasing number of companies are now selling products in multiple states, and even some celebrity brands are gaining traction in the market.

Portion of all infused product manufacturers that are profitable or break-even: 79%

One of the key hurdles that concentrates must face has to do with a negative public perception of the extraction process. However, as innovation and technology becomes a more integral part of the industry, producers of concentrates are developing cleaner, safer, and more efficient tools and processes to overcome this stereotype.

Demand for cannabis concentrates and edibles is exploding, offering a window into trends that will likely play out in the larger cannabis industry over time.



Infused products and edibles are the fastest growing category in the cannabis industry, proving extremely popular with recreational consumers and medical patients alike. While flower still accounts for the majority of retail sales, concentrates and edibles continue to eat into flower's share of the market with each passing year.

Manufacturers have taken notice and are extending product lines to occupy

Figure 11. Percent of cannabis manufacturing businesses
Source: Marijuana Business Daily

multiple segments of the infused products category. While this may maximize revenue in the short term, the industry grows more sophisticated by the day – and manufacturers that specialize on providing a top-quality product to a very narrow portion of the market may end up finding more success than those spread across multiple categories.

The cannabis beverage market captured 6 percent of the \$543.3 million edibles market in CO, WA, OR and CA between January and October of 2017, on sales of \$30.3 million. But growth (excluding California, for which 2016 data is not available to measure growth) held strong, at a rate of 23 percent.

In 2014 when adult-use just launched in Colorado, over 70% of sales came from dried flower; in 2016, that was down to 55%. In contrast, concentrate sales were \$20 million in 2014, or 13% of sales. By the end of 2016 they had jumped to \$85 million and 25% of sales. Edibles (including candy, beverages, tinctures, and all food) more than tripled during the same period, from \$17 million to \$53 million, moving from 11% to 14% of sales. Vape pens and vape products, candy, and other portable and convenient methods of consumption are especially popular with Colorado consumers.

In 2017, the contribution of sales from flower dropped to less than 50 percent in Colorado's cannabis industry.

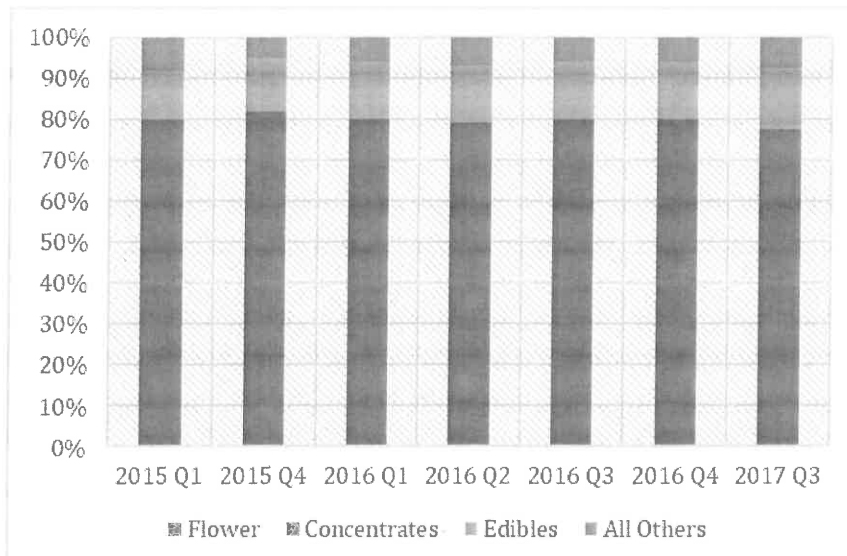


Figure 12. Trend sample in Colorado

Like Colorado, California will likely see flower's contribution to total revenue dip below 50 percent in 2018.

Californian Concentrates and Infused Products Market



Unlike the Edibles market in California, the top 10 Concentrate brands in the state continue to increase their share of the market, accounting for a third of the total sales in this

category compared to a quarter in July 2016.

The increase in the Concentrates market share for the top brands is being led by Moxie Seeds & Extracts, which has seen a tripling of its market share in less than a year (April 2016 to February 2017). Moxie Seeds & Extracts has separated itself from the other top brands, including Bhang which now has a third of the California Concentrates market share it once had a year ago.

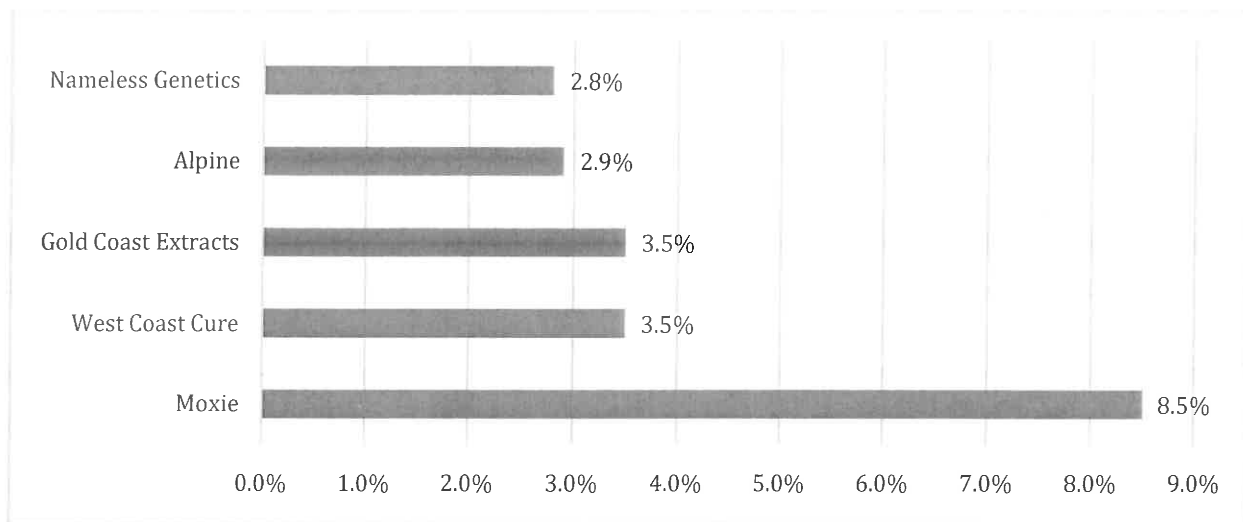


Figure 14. Top 5 Concentrates brand share in California

Moxie's top position may be due, in part, to the large variety of products it offers Concentrates users in California. It offers over 160 products, including shatters, waxes and vaporizer cartridges. Concentrates also make up a large proportion of Moxie's product line, while more than half of Bhang's product line is categorized as Edibles, mostly Chocolates.

As California welcomes recreational use of marijuana, look for some companies competing in the California Concentrates market to possibly shift their focus and resources to other categories where their brands have a stronger presence. In addition, to be competitive in this expanding market, companies will need to clearly communicate their value proposition which will set them apart in the crowded Concentrates market.

Edibles and Topicals Market Competition

Analysis results for November and December demonstrate the continued dominance of Kiva and Cheeba Chews in edibles, Moxie Seeds & Extracts in concentrates, and Emu 420 and Mary's Medicinals in the topicals market. However, some smaller and newer players are starting to climb the ranks in a variety of subcategories, most notably Whoopi & Maya whose sales are taking off in both chocolates and topicals.

Edibles

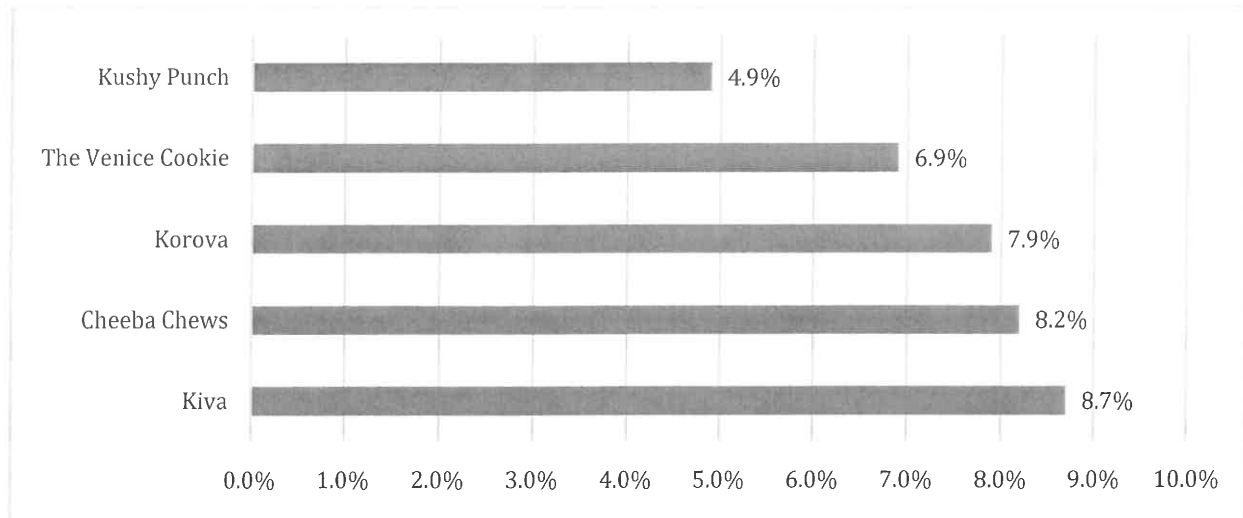


Figure 15. Top 5 Edible brand shares in California

The top ten edible brands made up 53% of the market in February 2017, down from 65% in February 2016. Of the top ten edible brands, only three gained market share year-over-year – Venice Cookie Company, Edipure, and Kushy Punch. Much of the lost market share came at the expense of the top edible brands, indicating that brands outside of the top ten are increasing their penetration of the market.

Cheeba Chews, Kiva, and Korova were the top three edible brands in February 2016 and continue to be the top three brands in February 2017. Cheeba Chews, which had the highest market share of any brand in February 2017 (14%), lost 6% share year-over-year and is now virtually neck-and-neck with Kiva and Korova.

While most other brands fought off rivals to hold on to their market share, Kushy Punch grew its year-over-year share by 65%. This growth was largely at the expense of its rival, Cheeba Chews, which saw its year-over-year share decrease by 42%.

Topicals

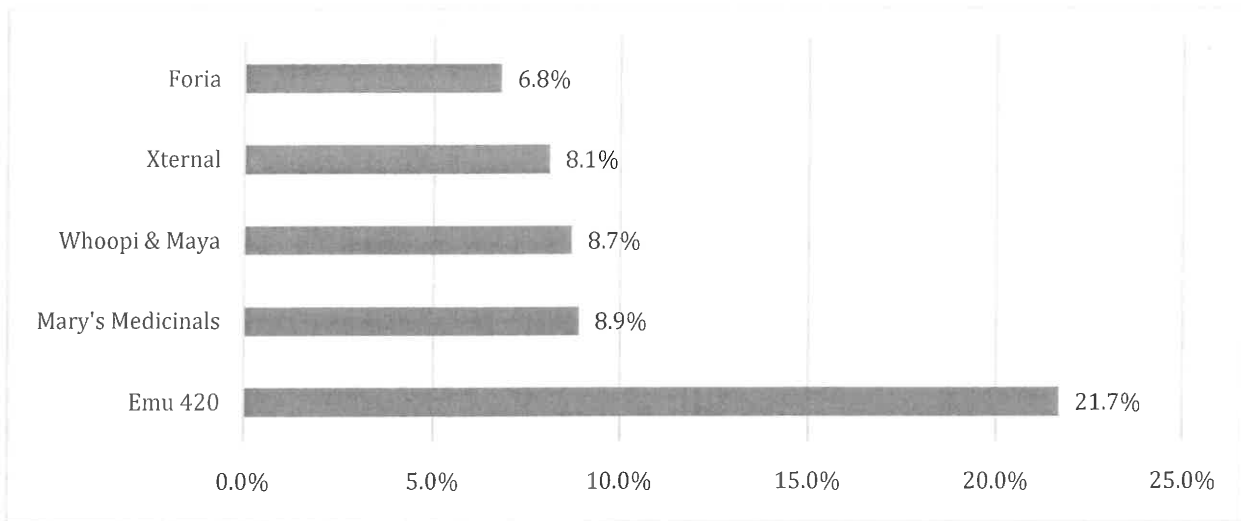
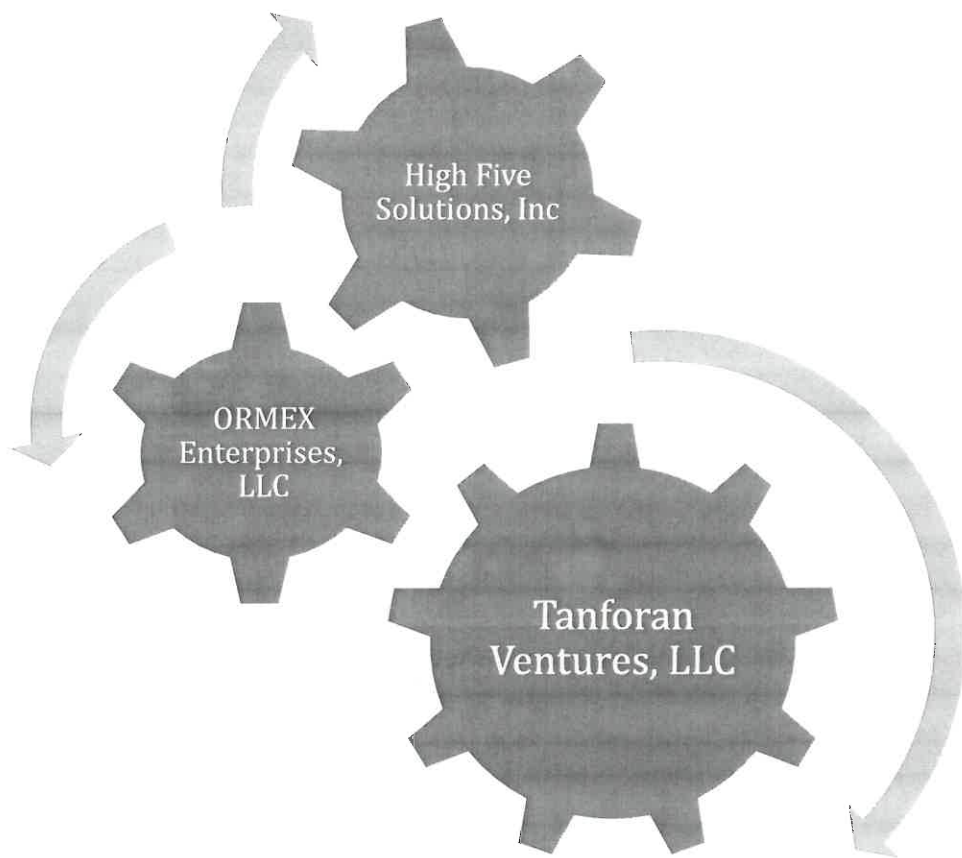


Figure 16. Top 5 Topical brand shares in California

Topicals is the most dynamic category in California cannabis this month, with established players losing share and newer players gaining. Emu 420 (21.7%) remains far and away the market leader, but second place Mary's Medicinals (8.9%) has been losing share month on month, with competitors Mary Jane's Medicinals (6.3%) and Apothecanna (6.0%) climbing in the ranks. The brand to watch in the topicals space is Whoopi & Maya (8.7%), whose distribution exploded at the end of 2016 and jumped to the number three spot in topicals by December. The brand is wildly popular with women, particularly in the Bay Area, though the brand made a strong push into southern Californian dispensaries in Q4 of 2016.

SWOT Analyses

Strengths	Weaknesses	Opportunities	Threats
• Building of dependable relationships with cultivators, concentrates and edibles manufactures • Diversified, Strategic Partnerships • Extensive industry knowledge	• Product liability / legal issues • Enhanced risk of banking / financial / IRS scrutiny • High energy consumption • Highly competitive market	• High growth industry • A significant drop in cannabis wholesale pricing • Growing interest and demand for natural, alternative medicine • Trend toward greater cannabis legalization, including the use of cannabis for recreational purposes • Global Market	• Enforcement of federal law • Possible cannabis law changing • Indicators of a slowed global economy • Large companies entering the market



Marketing Strategy

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City of Woodland
Community Development

Marketing & Sales Strategy

Marketing Plan

Online advertising platforms are placing strict rules on how companies can market their products.

Google, Facebook and Twitter all have advertising policies that restrict the promotion of the sale of cannabis. Google's policy prohibits ads that promote "substances that alter mental state for the purpose of recreation." Facebook restricts any "illegal, prescription, or recreational drugs." And Twitter bans "illegal drugs" as well as substances that cause "legal highs." Instagram and Facebook have decided to go a step further by removing pages of cannabis related businesses.

The most effective strategies for legal marijuana companies are direct marketing at industry conferences and other events, building communities around marijuana -related concerns such as health and wellness. The marketing and sales strategy of High Five Solutions, Inc. & ORMEX Enterprises, LLC will be based on generating long-term personalized relationships with cultivators, manufacturers, distributors and retailers.

Marketing and advertising campaign includes:

- Meeting with cultivators, manufacturers, distributors and retailers
- E-mail Marketing
- Advertising and articles in the thematic magazines, including:
 - Cannabis Now
 - 420 Magazine
 - Marijuana Venture
 - MG Magazine
 - DOPE Magazine
- Business events and conferences
- Business and industry associations
- Brand development
- Brochures
- Website development with search engine optimization
 - Keywords
 - Fresh content
- Special directories and platforms

Table 1. Cannabis business directories

WEEDMAP https://weedmaps.com/	Marijuana dispensary finder on the planet. With over 7,750 listings throughout the U.S., Canada, and Europe.	WeedMaps has 7.96 million total visits each month.
LEAFLY https://www.leafly.com/	Leafly is a cannabis information resource for finding the right strains and products. Services include: cannabis finder, online store, branding, doctors' portal.	Leafly has 226.27 thousand total visits each month.
CannaSaver https://www.cannasaver.com/	Canna-Saver is website for cannabis and related coupons, devoted to medical marijuana deals and savings. Offers a constant flow of deals and savings from the top cannabis and medical marijuana retailers.	Cannasaver has 310.04 thousand total visits each month.
Cannabis Coupon Codes http://cannabiscouponcodes.com/	Website with cannabis coupon codes.	Cannabis coupon codes has 81.49 thousand total visits each month.

Competition

In every business there is competition, however, we believe we possess several strengths that will allow us to remain visible on the industry's radar at all times. The medicinal/recreational cannabis industry is known to be highly competitive in the U.S and in most parts of the world. The industry is growing and there are alternative ways through which clients/patients can obtain their medicinal/ recreational cannabis products. In some international markets methods like mail-order firms, grocery chains, mass merchants and dollar stores are the real competitors in the industry. These companies ensure that they do all that lies within their power to gain a favorable market share of the available market in any given region.

In this industry, most of the competitive dynamics center around the quality of cannabis cultivated and infused products produced, the service offered, the location where the cultivation and extraction will be done. The branding of High Five Solutions, Inc. & ORMEX Enterprises, LLC plays a significant role. Even though competition is stiff especially from the big, well-backed enterprises, smaller enterprises can still get their fair share of the market if they stay true to the competitive dynamics. It is a fact that small cannabis operations will always struggle with larger based cannabis operations when it comes to pricing power and brand recognition, hence the reason why smaller based operations will always go out of their ways to deliver excellent client service. It is through top-notch client service that they can secure a fair share of the available market.

Target Customers

Main customers for our own product line are dispensaries.

As a Distribution Company, ORMEX Enterprises, LLC will carry an extensive product portfolio which will include flowers, concentrates, edibles, dosables, and accessories from award-winning brands. We will create an efficient supply chain by acting as the intelligent hub sitting between retail dispensaries and the brands who cultivate and manufacture the products they sell.

We intend to offer flexibility in the form of three unique programs for cultivators, processors and manufacturers.

ORMEX ENTERPRISES, LLC PROGRAMS	BRONZE	SILVER	GOLD
Quality Assurance& Lab-Testing	Yes	Yes	Yes
Secure, climate-controlled storage	Yes	Yes	Yes
Secure, climate-controlled transportation	Yes	Yes	Yes
Carried by sales reps	No	No	Yes
Prepackaged Products only	No	Yes	Yes

Sales Forecast

Own Product Line

We will wholesale our concentrates and infused products to licensed dispensaries. Sales will be tracked

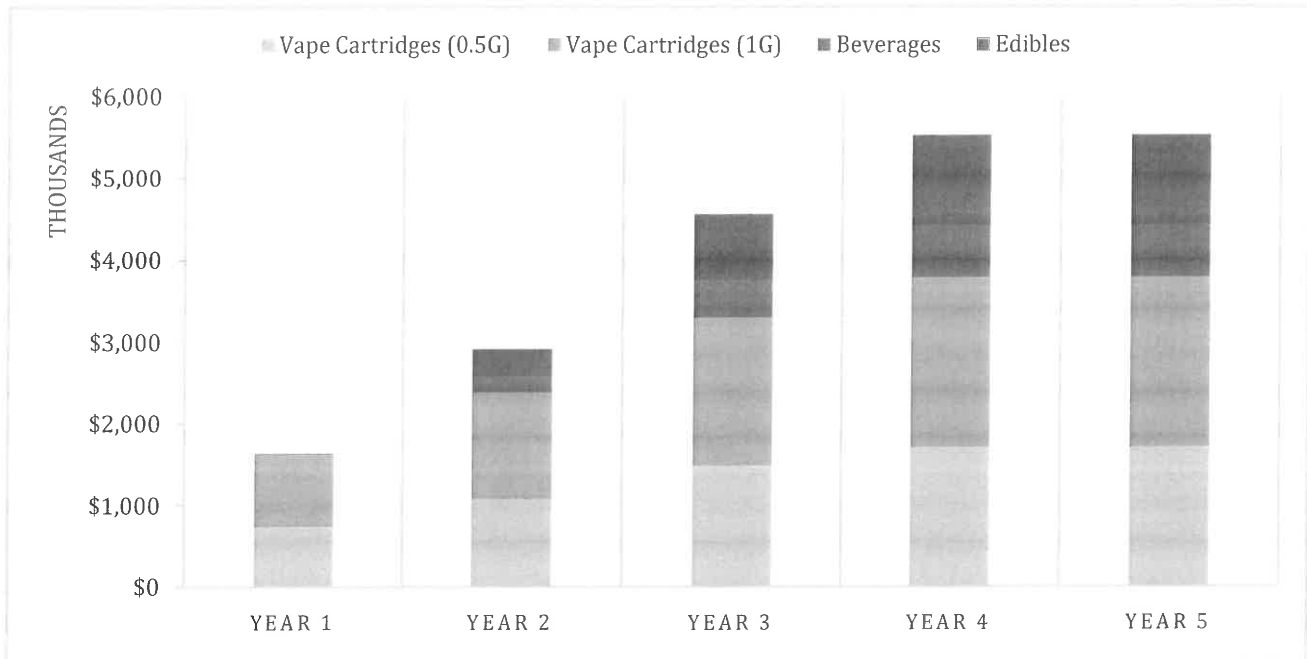


Figure 17. Sales projections

via our robust, industry-leading, inventory management and tracking system.

Distribution

Company intends to launch full service cannabis and cannabis products distribution, including wholesales and a wide range of services for cultivators and manufactures.

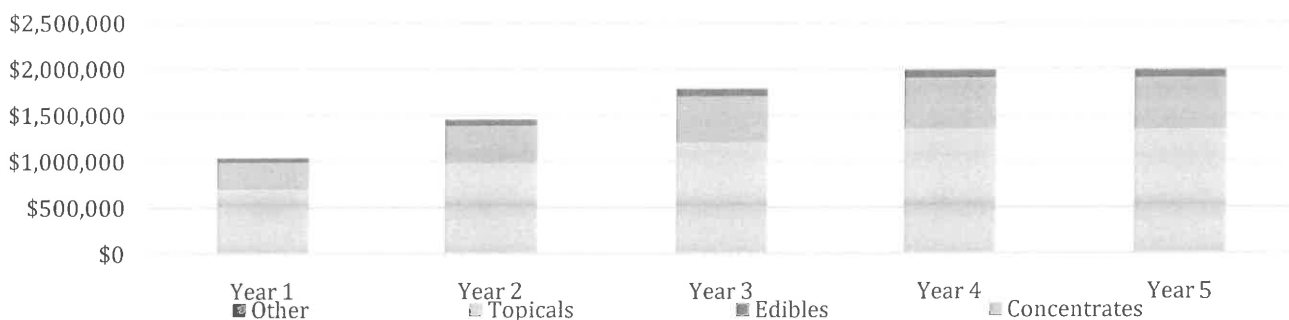
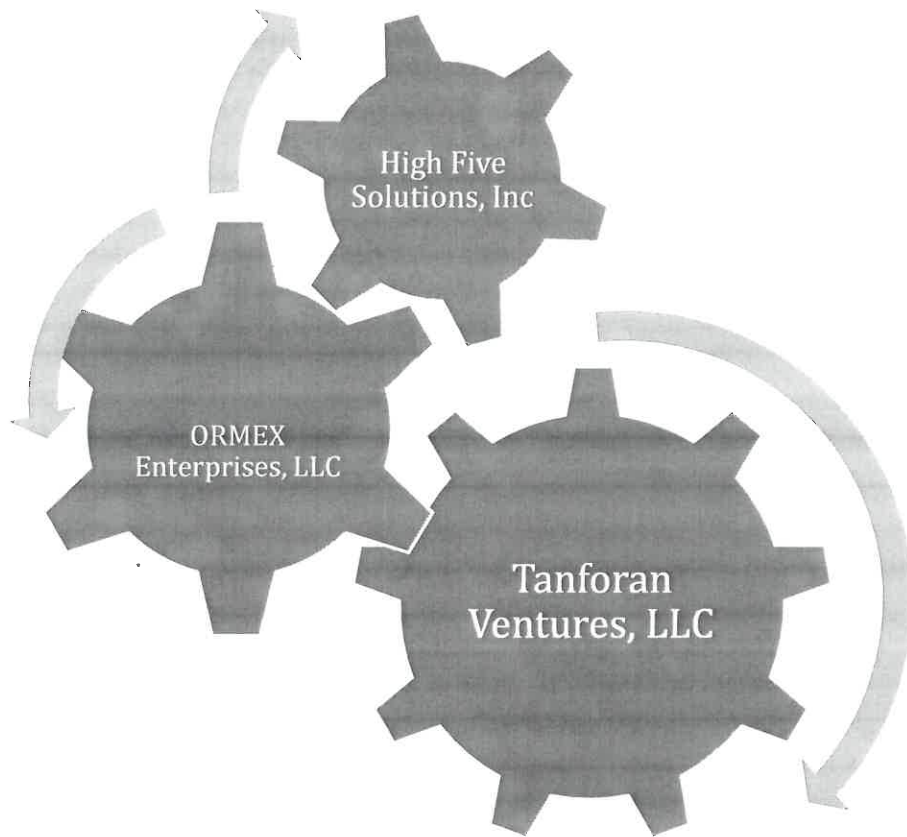
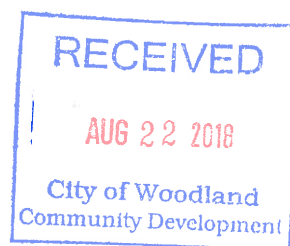


Figure 18. Sales forecast, cannabis & cannabis products



Operating Plan



Operating Plan

Extraction Technology

Supercritical CO2 Extraction Method

High Five Solutions, Inc. intends to use a High Production Extraction system which efficiently extract botanical oils without thermal degradation at industry-leading processing rates. The system utilizes a Dual-Phase Pumping System – a liquid pump that allows for high CO2 flows at higher pressures and the Diaphragm Compressor Technology gas pump for energy efficiency and cold separation, these systems will provide high production with a wide range of processing options for supercritical and sub-critical extractions.

The system can process up to 20 kg of decarboxylated cannabis per day and uses 3-phase 208v, 230v, 460v. Equipped with CO2 storage tank.

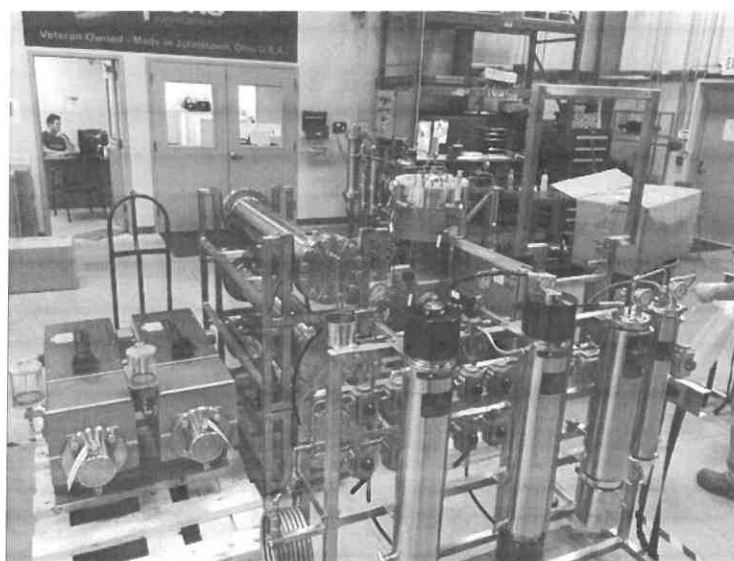
Utilizing supercritical and sub-critical CO2, systems offer high-capacity, high-production operations with fast, efficient extractions of botanical oils without thermal degradation. The 5000psi Production Series is equipped with the patent-pending Dual-Phase Pumping System which combines a liquid pump allowing for high CO2 flows at higher pressures with the Diaphragm Compressor Technology gas pump for energy-efficiency and cold separation.

We have identified the most prominent manufacturer of CO2 extraction and intend to use the following equipment:

APEX

Main Features:

- ✓ Fully automated
- ✓ Highest yield per hour
- ✓ Ideal for high-volume production
- ✓ Most versatile – runs subcritical and supercritical
- ✓ Dual-Phase Pumping System (liquid and gas)
- ✓ Multiple 3-phase power options
- ✓ Valveless Expansion Technology
- ✓ Widest supercritical range



Yields: We assume 10% yield for planning while much higher yields can be achieved.

Average budget: \$120,000.

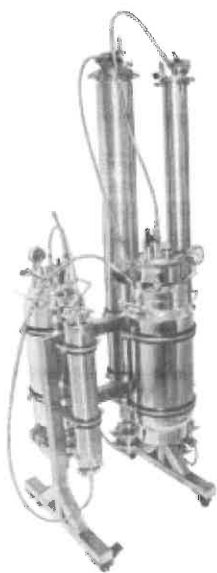
Butane Extraction Method

Butane/Propane extraction technique is the most cost-efficient extraction method available. With an average extraction cycle of less than one hour, BHO is the fastest commercial extraction method. That is 9 times faster than the average 9 – 10 hours comparable CO2 supercritical extraction cycle. The cost of BHO extraction equipment is also much lower than CO2 equipment (less than half the cost).

Certified BHO extraction is safe and if correctly installed, pose no safety risk or risk to the environment. Virtually all butane or propane solvents are reclaimed through a closed-loop system and are not released into the atmosphere. BHO extraction is also US FDA-approved and this method of extraction is currently also widely used for the extraction of vegetable oils from seeds such as soybeans, canola, sunflower and flax.

We have identified the most prominent manufacturer of BHO extraction and intend to use the following equipment:

Purge Labs Closed Loop System



After harvesting the plant material, the product is prepped (trimmed, grinded and put into stainless steel receptors). The extraction process happens inside the spark-proof laboratory. Once the extractor is loaded with Butane/Propane, the extraction process produces crude oil, which is then

winterized (mixed with ethanol and frozen in a C1D2 spark proof freezer. Fats and lipids are drained off and a rotary evaporator pulls the ethanol off, which is kept for further processing. The product is then put into a decarb vessel where heat activates the CBD and THC. The next process is a white film evaporator

distiller that separates the THC, CBD and terpenes, into the final product, which is golden in color and thick like syrup.

Yields: We assume 10% yield for planning while much higher yields can be achieved.

Average budget: \$200,000.

Ethanol Extraction Method

We intend to use High Production Extraction system, which efficiently extract botanical oils without thermal degradation at industry-leading processing rates. System utilize alcohol which acts as a solvent and strips the THC, CBD, Terpenes, Chlorophyll, and wax compounds from plant material then carrying them in solution form within the alcohol.

The process begins with the double-jacketed reactor, walk-in freezer, or chest freezer, which allows to keep a constant negative temperature on the solvent while the extraction process takes place. To achieve this, the cryogenic chiller takes the coolant down to -20°C and this is pumped between the glass layers in the reactor. The solvent will be kept in the inner container and the frozen material will be soaked for a period of time.

Once the soak is complete, the plant material will be removed, and the extract will be filtered into the rotary evaporator (or large-scale reactor), through a series of filters. The rotary evaporator stays under vacuum, which allows distillation and reclaim of the alcohol at low temperature, thus keeping the more volatile molecules intact. The reclaimed alcohol will then be reused for another extraction.

Advantages:

- The FDA classifies ethanol as “Generally Regarded as Safe,” or GRAS, meaning that it is safe for human consumption.
- Ethanol is safer than butane and more effective than supercritical CO₂.
- The ethanol removed from the finished concentrate can be reused in multiple extractions, which effectively eliminates the production of chemical waste.

We have identified the most prominent manufacturer and intend to use the following equipment:

VTA

High Five Solutions, Inc. will be also focused on the next generation of high-value oil extraction from plant matrices by safe and healthy means. New extraction techniques appeared only few years ago, and it's still not really up to an industrial standard.

Yields: We assume 12% yield. While 18-25% yields can be achieved for planning 12% is a good baseline to accommodate the multiple factors, including strains.

Average budget: \$90,000.

Extraction Method with Water

Main features:

- ✓ Solvent-Free Process
 - The polarity of water decreases dramatically under the right conditions
 - Can extract more medically viable compounds than CO₂.
- ✓ Ultra-High Throughput
 - Processes 100 Liters (up to 50 pounds) of wet or dry biomass in 30-40 minutes.
 - Employs industrial level automation.
- ✓ HPLC Analysis shows 90% Extraction Efficiency. Expected to approach 98% through improved methods.
- ✓ Mobile platform able to deploy globally (Air, Sea, Land).

Table 2. H2O and Supercritical CO2 Extraction comparison

	H2O Extraction	CO2 Extraction
Run Time (Minutes)	30	480
Changeover/Prep (Minutes)	15	30
Time Window (Hours)	24	24
Capacity (Liters)	100	100
Biomass Per Run (Pounds)	50	50
Biomass within Window (Pounds)	1600	141
Yield within Window (Tons)	0.80	0.07
Oil Yield (Pounds)	240	21
Pounds Per Acre	625	625
Acres Processed in Window	2.56	0.23

Yields: We assume 10% yield for planning while much higher yields can be achieved.

Average budget: \$120,000.

Rosin Press Extraction Method

The method uses no butane, alcohols, or other solvents and produces a pure and clean product.

Rosin extraction is a simple mechanical process that in recent years, has gained traction in the cannabis industry as it is a simple and affordable way to produce a quality cannabis product, within seconds. The rosin pressing technique separates the resin from the plant material by using heat and high pressure.



While flowers from cannabis strains range in THC potency from about 10%-30%, concentrates like rosin may be up to 80% THC or higher.

Rosin can be manipulated into popular consistencies such as shatter, wax, sugar, and others.

Main factors:

- Quality of the input material
- Age of the input material
- Temperature at which the material is pressed

The most important factor affecting clarity when producing rosin is the quality of the material that is being pressed. The better the starting material, the greater the resulting rosin will be in all measures, including clarity, yield, and effects upon consumption.

Second to quality, the age of the material used in rosin extraction is critically important in resulting clarity. The fresher and more recently the material was harvested, the better the resulting color of the rosin will be.

Finally, the third key factor that contributes to clarity is the temperature at which the starting material is pressed at. There is legitimate scientific evidence that supports the notion of terpene loss at high temperatures, although different terpenes are damaged at different temperature levels. Additional tests have been performed on terpene degradation to oregano and basil leaves with similar results.

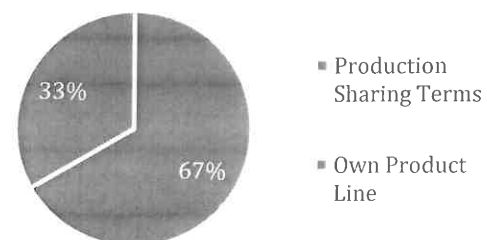
Yields: Trim – 10-15%, Flower – 15%-25%. We assume 10% yield for our planning.

Average budget: \$20,000.

Production Forecast

High Five Solutions, Inc. will acquire all marijuana plants in accordance with the laws and regulations and intend to start its processing operations from the third month.

For the purposes of this plan, High Five Solutions, Inc. will assume that a 100 lbs. harvest of dried flower will also produce 10 lbs. of trim to be used for cannabis extractions and concentrates. 10 lbs. of high quality trim will yield about 1.2 lbs. of high quality extractions.



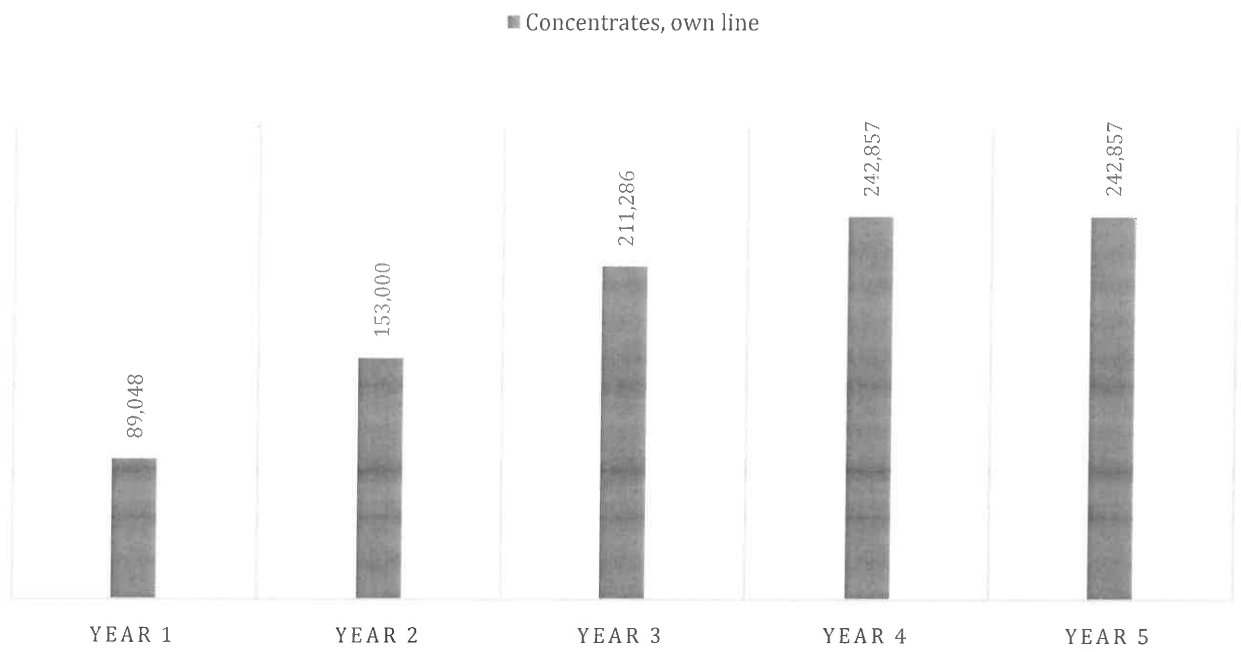
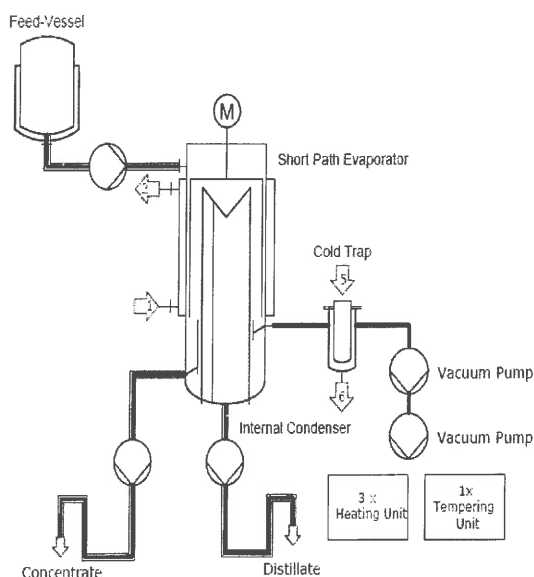
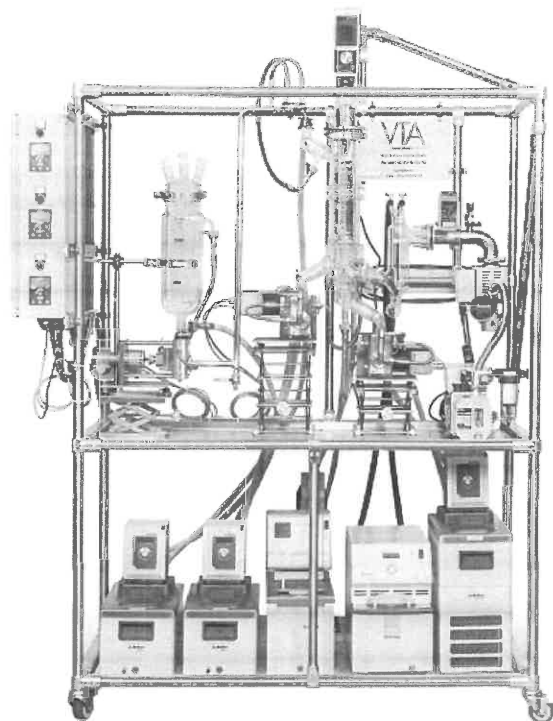


Figure 19. Crude oil production, gram

Processing Technology

Short Path Wiped Film Evaporator (WFE)

We use High Production WFE system which efficiently separates the botanical oils without thermal degradation at industry-leading processing rates. A rotating wiper system distributes the CO2 cannabis oil onto the inner wall of the short path evaporator, the evaporation process is sped up by the rotating wipers spreading the oil into a thin film layer so that the heat transfer and molecule transfer are optimized. The residence time is less than 10 seconds and the vapors are condensed onto the internal condenser as shown on the diagram below. The short path distillation process is split into two passes - the first pass in the evaporator isolates the Terpenes from the cannabinoids and the second pass removes the lipids, impurities and solvents leaving you with an odorless high value clear distillate. Our distillation process creates a distillate that can produce a fine oil used for vape cartridges, tinctures or edibles. The cannabis industry has advanced by leaps and bounds in recent years with new discoveries on the rise. There are lots of benefits to distillate which has skyrocketed its demand and led to price increases at the same time. Utilizing this WFE system offer high-capacity, high-production operations with fast, efficient molecule of botanical oils without thermal degradation. We have identified the most prominent WFE manufacturer and have purchased model number VKL 70-5 from German manufacture Verfahrenstechnische Anlagen GmbH also known as VTA.



Main Features:

- Continuous feed

- Low processing temperatures
- Ideal for high-volume production
- Compact design
- Multiple 3-phase power options
- Cannabinoid Separation (THC/CBD)

Yields: We assume 75% yield for planning while much higher yields can be achieved.

Average budget: \$175,000.

Production Forecast

For the purposes of this plan, High Five Solutions, Inc. will assume that a 100 gram of crude oil will yield about 75 gram of high quality extractions.

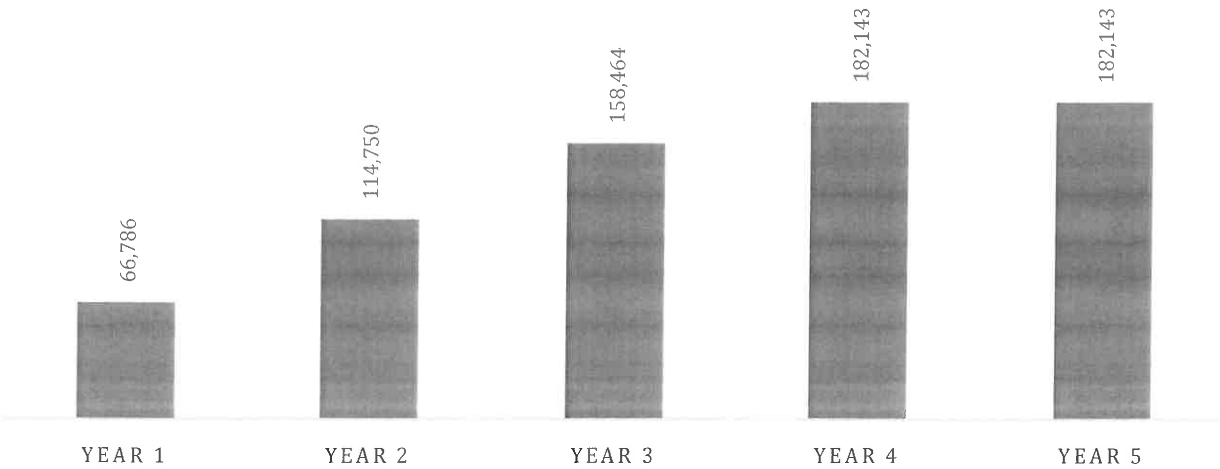


Figure 20. Pure oil production, gram

Infused Products

All High Five Solutions, Inc. Disposable Vape Pens include 500 milligrams co2 cannabis oil, extracted from high quality medical marijuana strains by reputable companies. All High Five Solutions, Inc. Disposable Vape Pens include Laboratory Test Results in their packaging.

High Five Solutions, Inc. Cartridges include 1,000 milligramsc02 cannabis oil and they are compatible with any 510-thread battery and have been tested at 72%+ THC, making them the perfect choice for anybody who doesn't want to sacrifice potency for convenience.

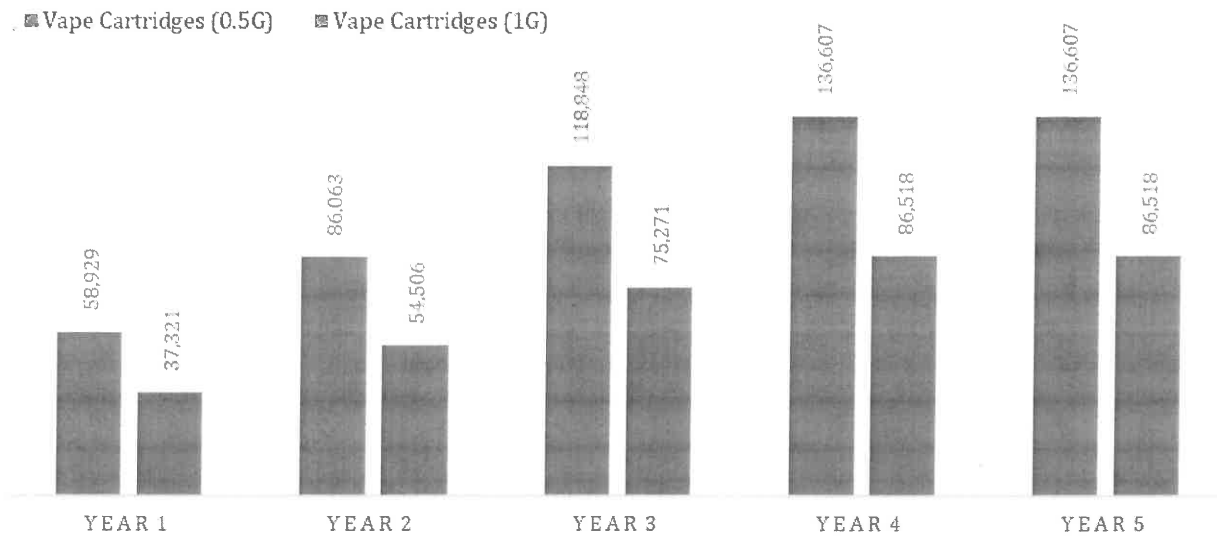


Figure 21. Concentrates production forecast, gram

High Five Solutions, Inc. will also produce a wide range of cannabis topicals and edibles.

Topicals can provide the perfect introduction for those who are “seeking relief from cannabis without the high,” and work well for those looking to treat anxiety, depression, chronic pain or skin conditions.

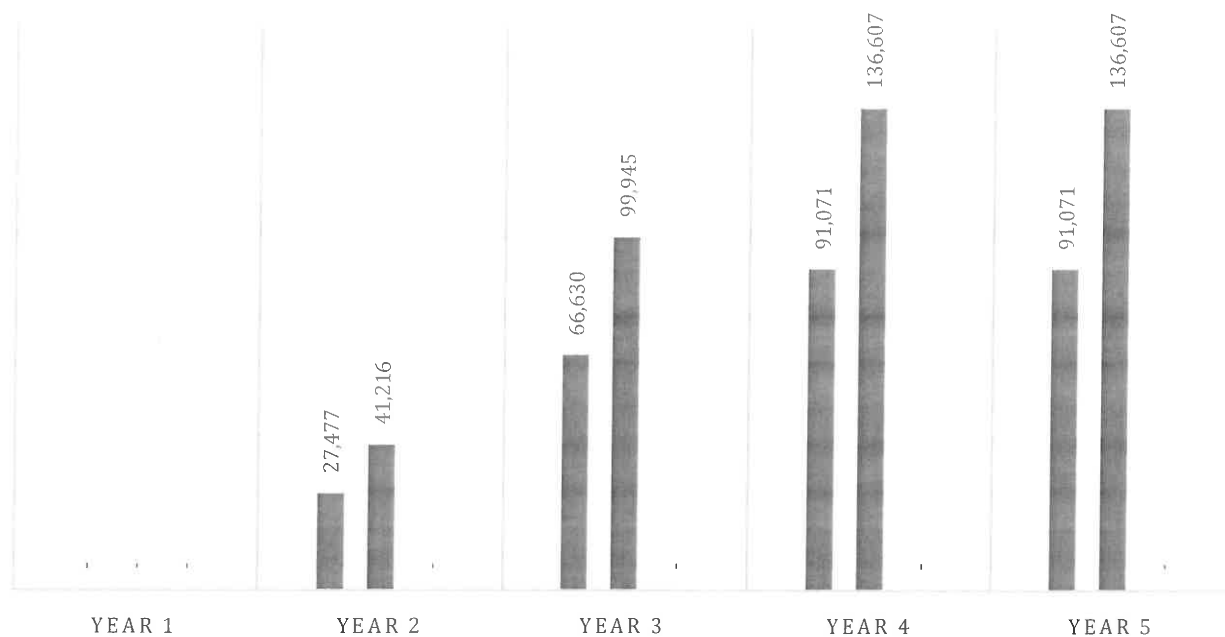


Figure 22. Edibles and Topicals production forecast, units

Legal Requirements

According to the Emergency Regulations for Commercial Cannabis Distributors, Retailers, Microbusinesses, Temporary Cannabis Events, and Testing Laboratories, MAUCRSA defines a distributor as an entity licensed to:

- Transport cannabis goods
- Arrange for laboratory testing
- Conduct quality assurance review of cannabis goods to ensure they comply with all packaging and labeling requirements
- Storage of cannabis goods

Key Requirements:

- CDTFA seller's permit
- Transport vehicles must have an alarm system
- Medicinal and adult-use cannabis goods may be transported together if they are clearly identified
- Must generate a shipping manifest prior to transporting

Vehicle requirements:

- Manned motor vehicle
- Motor carrier permit if transporting for hire
- Proof of ownership or valid lease
- Year, make, model, license plate number, and VIN
- Proof of insurance

Personnel Requirements:

- No person under 21 in the transport vehicle or trailer
- Only a licensee or employee shall be in a transport vehicle

Distributors must hold a Type 11 license, which is a new kind of entity created under MAUCRSA. A Type 11 licensee must register each location where a cannabis product is stored for the purposes of distribution. Distributors must also hold a Type 13 license in order to legally transport cannabis & cannabis products from one licensed business location to another.

Insurance Requirements

General liability insurance. Ormex Enterprises, LLC Cannabis Distribution Company will maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage.

Automobile liability insurance. Ormex Enterprises, LLC Cannabis Distribution Company will also maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the vendor arising out of or in connection with Cannabis Delivery Services to be performed in Woodland, California, including coverage for any owned, hired, non-owned, or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.

Storage Location

Requirements:

- Each premises requires a license
- Only one licensee may occupy a premises.
- Should not be located within 600 feet of a school (grades K-12, day care, or youth center) unless permitted by the local jurisdiction.
- A premises diagram is required with the application
- The landowner of the land upon which a premises is located must provide approval for the cannabis activity to be conducted

Physical Security Plan for a Storage Space

Premises Access

- All external doors and gates will be secured by commercial locks rated to ANSI grade 1 or similar standards and materials will be available on-site for inspection to verify the security rating.
- All usable cannabis products will be stored indoors on the premises in a secure area with all entries secured with a steel door in a steel frame or the equivalent and commercial locks.
- All exterior doors, windows, or other points of ingress/egress will be locked.

Premises Alarm & Monitoring

- The premises will have an alarm system programmed to activate upon unauthorized breach of any door, window, or other point of entry.
- The alarm system will be capable of detecting unauthorized access to any portion of the premises, including any unenclosed portion of an outdoor production operation.
- The alarm system will provide notification to an authorized representative in the event of any unauthorized entry to any portion of the premises.
- The alarm system will provide a mechanism to contact law enforce by one or more of the following methods:
 - At least two “panic buttons” are installed on the premises that can trigger the alarm system and immediately notify a security company or law enforcement.
 - Mobile “panic buttons” are carried by all license representatives on the premises that can trigger the alarm system and immediately notify a security company or law enforcement.
 - An operational landline telephone is present at all times within the limited access area that is capable of contacting security or law enforcement.

Video Surveillance

1. The premises will be equipped with a video surveillance system.
2. Cameras will cover all areas where any marijuana items (including plants and waste) will be present at any time including pathways where product will be moved, without any "blind spots"
3. Cameras will cover all areas within 15 feet of all points of entry/exit from the licensed premises in all directions.
4. All cameras will record continuously 24 hours a day at a resolution of 1280 x 720 pixels or better in all lighting conditions.
5. All cameras will cover areas where marijuana items will be present and all cameras covering the surveillance area record at a minimum of 10 frames per second.
6. All cameras will cover exterior non-limited access areas record at a minimum of 5 frames per second.
7. The surveillance room will contain a list of personnel authorized to access the surveillance system.
8. We will keep a log of all maintenance activity for the surveillance equipment including name of the individual, date and time of access, and reason for access.
9. The surveillance system will include a monitor capable of viewing video from any camera, a digital archiving device, and a printer.
10. The surveillance system will have a backup battery that will provide at least one hour of continuous recording in event of any power failure.
11. An authorized representative will receive immediate notification within one hour of the failure of any security camera or portion of the surveillance system.
12. All required recordings, including the backups of the surveillance area recordings kept for 90 days with a method to store video longer than 90 days if requested.

Transportation

Prior to transporting cannabis or cannabis products, ORMEX Enterprises, LLC will do both of the following:

(1) Complete an electronic shipping manifest as prescribed by the licensing authority. The shipping manifest will include the unique identifier, pursuant to Section 26069, issued by the Department of Food and Agriculture for the original cannabis product.

(2) Securely transmit the manifest to the bureau and the licensee that will receive the cannabis product. The bureau shall inform the Department of Food and Agriculture of information pertaining to commercial cannabis activity for the purpose of the track and trace program identified in Section 26067.

During transportation, ORMEX Enterprises, LLC will maintain a physical copy of the shipping manifest and make it available upon request to agents of the Department of Consumer Affairs and law enforcement officers.

1. An individual authorized to transport cannabis items will have a valid Driver's License.
2. Ormex Enterprises, LLC intend to:
 - Keep marijuana items in transit shielded from public view;
 - Use a vehicle for transport that is:
 - Insured at or above the legal requirements in California;
 - Capable of securing (locking) the cannabis items during transportation;
 - Equipped with an alarm system; and
 - Capable of being temperature controlled if perishable cannabis items are being transported.
 - Generate a printed transport manifest that accompanies every transport of cannabis items that contains the following information:
 - The name, contact information of a licensee representative, licensed premises address and license number of the licensee transporting the cannabis items;
 - The name, contact information and medical cannabis card number of the individuals receiving the delivery;
 - Product name and quantities (by weight or unit) of each cannabis item contained in each transport, along with the UIDs for every item;
 - The date of transport and approximate time of departure;
 - Arrival date and estimated time of arrival;
 - Delivery vehicle make and model and license plate number; and
 - Name and signature of the licensee's representative accompanying the transport.
3. Company will generate the manifest of this rule at least 24 hours in advance of initiating transportation.
4. Each sales invoice will contain:
 - a. Name and address of the purchaser.
 - b. Date of sale and invoice number.
 - c. Kind, quantity, size, and capacity of packages of cannabis or cannabis products sold.
 - d. The cost to the purchaser, together with any discount applied to the price as shown on the invoice.
 - e. The place from which transport of the cannabis or cannabis product was made unless transport was made from the premises of the licensee.
 - f. Any other information specified by the licensing authority.

5. All cannabis items will be packaged in shipping containers and labeled prior to transport.
6. Company will be able to provide a copy of the printed transport manifest and any printed receipts for marijuana items delivered to law enforcement officers or other representatives of a government agency if requested to do so while in transit.
7. Ormex Enterprises, LLC will contact the Bureau immediately, or as soon as possible under the circumstances, if a vehicle transporting cannabis items is involved in any accident that involves product loss.

Testing

A testing laboratory employee takes the sample of cannabis or cannabis products from the distributor's premises for testing required by this division and that the testing laboratory employee transports the sample to the testing laboratory.

Packaging and Labeling

High Five Solutions, Inc. and ORMEX Enterprises, LLC will conduct the following regulations for packaging and labeling:

1. Cannabis packages and labels shall not be made to be attractive to children.
2. All cannabis product labels shall include the following information, prominently displayed and in a clear and legible font:
 - a. Date of manufacturing and packaging
 - b. Known allergens (nuts, etc.)
 - c. Source and date of cultivation,
 - d. Type of cannabis or cannabis product,
 - e. Number of servings per package,
 - f. Pharmacologically active ingredients (THC, CBD, etc.) and amount (mg per serving),
 - g. "FOR MEDICAL USE ONLY" (for medicinal cannabis),
 - h. Universal symbol for cannabis,
 - i. Government Warning: "GOVERNMENT WARNING: THIS PRODUCT CONTAINS CANNABIS, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. CANNABIS PRODUCTS MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT. THE INTOXICATING EFFECTS OF CANNABIS PRODUCTS MAY BE DELAYED UP TO TWO HOURS. CANNABIS USEWHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF CANNABIS PRODUCTS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY. PLEASE USE EXTREME CAUTION." (in bold print)
 - j. Any other requirements set by the Bureau.

Tracking Solution

According to the new regulations all licensees must enter certain events into the track and trace system so that cannabis is tracked throughout the supply chain

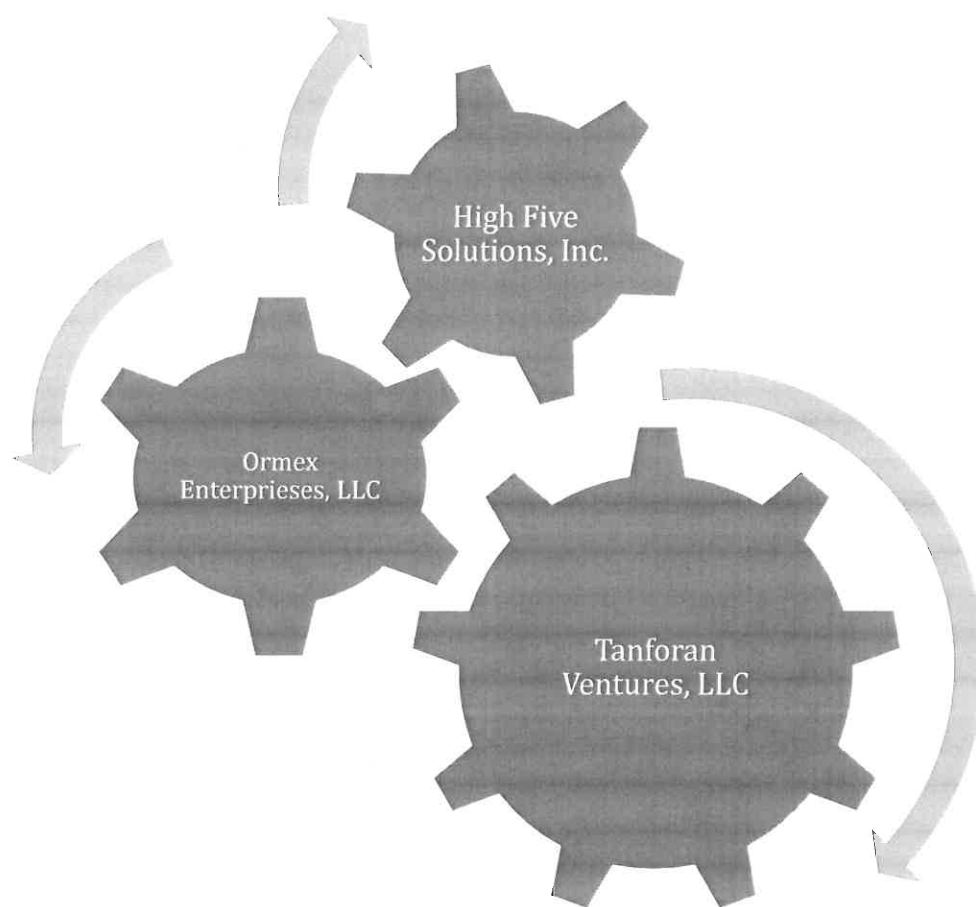
Company intends to use special tracking solution, which will allow us to remain compliant while helping to identify key data points to streamline and optimize inventory management at each phase of the operation: storage, lab testing and delivering.

Transport Manifests – Creating, submitting, and storing compliant transportation manifests noting vehicle, driver, and cargo contained for regulatory review.

Product Details – Product details for the inventory items, printing key information directly on the labels including ingredients, potency results, plus a reactive expiration date that can lock a product if it's past expiration.

Inventory Management – Analyzing the sales data to optimize the dispensary inventory to the customers.

Data Driven CRM – Out-of-the-Box Customer Relationship Management (CRM) tools to reward loyal customers and referrals. Setup targeted email and text campaigns based on customer's favorite products, last visit date, purchase history, birthdays and more.

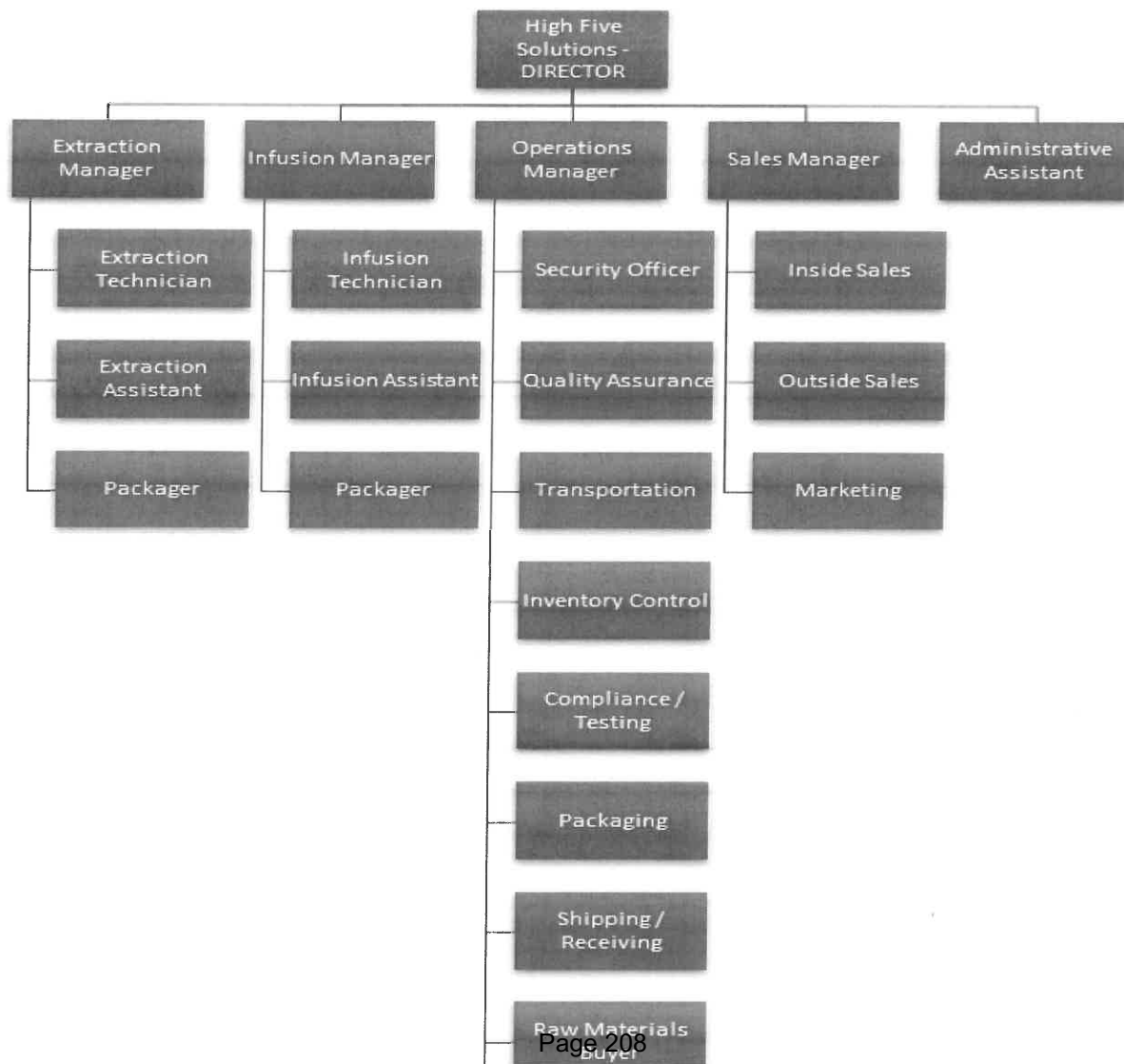


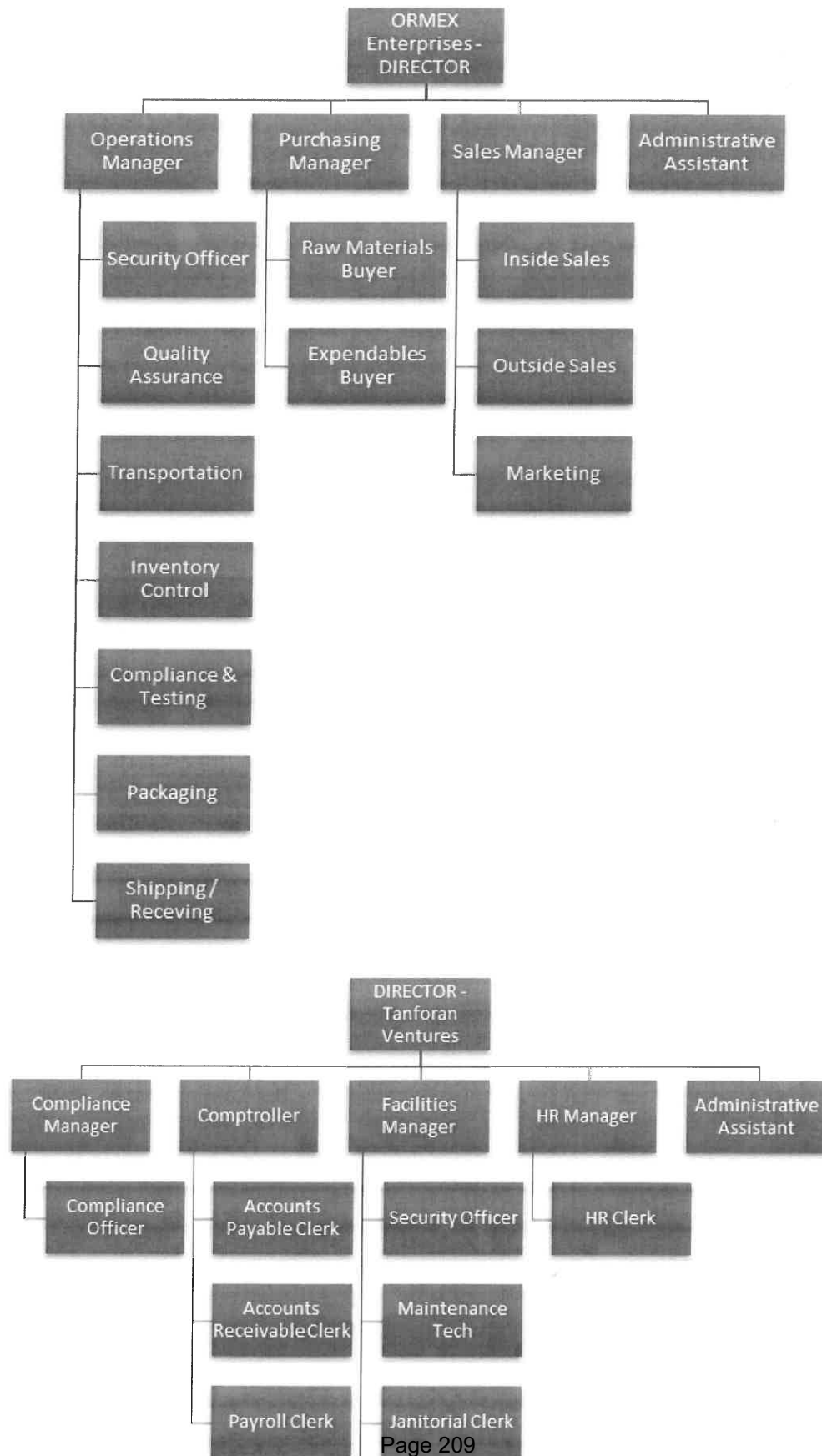
Organizational Structure

Organizational Structure

Tanforan Venures, LLC (the CUP applicant), ORMEX Enterprises, LLC (Distributor), and High Five Solutions, Inc. (Manufacturer) are three separate entities with their own set of bylaws and operating agreements but run between the same four individuals who have poured their hearts and souls into building these three companies and bringing them to a point where the potential to operate in multiple areas of the legal California commercial cannabis market is a viable opportunity. These businesses have been built on solid foundations. Before we introduce the founding members, we have decided that from the outset, we will recruit only qualified people to man various job positions in our company. We hope to leverage on their expertise to build our business brands to be well accepted in the United States.

These are the positions that will be available at Tanforan Ventures, LLC, ORMEX Enterprises, LLC & High Five Solutions, Inc.:





Training Plans

1. Train employees at time of hire on business operations and compliance.
2. Train employees regularly after hire.
3. Training plan and training log will be available for inspection on the licensed premises.
4. Any person entering data into the Cannabis Tracking System (CTS) first be trained by the CTS administrator and through the BCC's required process for CTS training.
5. All individuals will be required to have to be eligible to work in the United States and will have to qualify per California and BCC employee standards, including but not limited to age restrictions and necessary background checks; They must also complete the required training and maintain their working credibility while working on behalf of the Licensee.

Ownership

All three companies, though structured differently, are managed by the same following four individuals:

Coors Wright, Katie Blackstone Martin, Shanan Day and Samuel Marquez. These four friends have found common ground in their passion for cannabis and it's health benefits as a resource. They have worked together on several different cannabis-related projects in past years and now have decided to come together and form a manufacturing and distribution companies that not only would serve their cannabis productions but form bigger business relationships with other licensed cannapreneurs in Woodland and surrounding areas.

With each of their expertise in different aspects of business, this fantastic four has collaborated to contribute their knowledge and experience in setting the standard for manufacturing and distribution in the city of Woodland.

Biography of Coors Wright

Coors Wright is a business operations professional focusing on the management, administration, and supply chain for companies looking to improve legacy methods or to implement efficient processes for new ventures.

He is recognized for reducing company costs and streamlining workflows in small and large firms, while building moral across business functions for superior change management. Most recently, he was the Operations Manager for a multi-million dollar manufacturing and distribution company providing quality sports apparel to New England schools and summer camps for over 30 years. He had oversight of a 40,000-sku warehouse, where he analyzed inventory levels, managed forecasting and purchasing, directed shipping and receiving, supervised the production team, and lead a team of 15 employees. Prior to that role, Coors was the Supervisor of Fulfillment for a large US corporation, and the Operations Manager for a mid-size catering company.

Biography of Katie Blackstone Martin

Katie Blackstone Martin was born and raised in Marin County, California. Though she was raised in Marin County, she considers herself lucky enough to have the opportunity to have also spent time in Yolo County on her father's walnut ranch of 39 years.

Though she and her family spent a lot of time in this beautiful part of the Capay Valley, in 2017, her father began planting 1 acre of legal medical cannabis and for the past year, she has spent all of her time managing this part of her father's farm. Some of the tasks include but aren't limited to, familiarizing herself assisting with the Track and Trace program, management of the farm workers and ensuring the farm stays compliant. Katie also took the responsibility of acquiring and gathering all the necessary information to submit for license renewal for 2018.

Before she was involved in Cannabis, she worked in the wine industry primarily doing production and distribution for a startup.

Wine and cannabis have very similar production needs and she has found it to be an easy transition from the wine industry to the cannabis industry, with respect to manufacturing aspects as well as distribution models. The company she worked for focused on private labels for restaurants and wine clubs across the country. Katie managed everything after the point of sale of the bulk wine, which included managing transportation of the bulk wine to the bottling facilities from all around the world, placing all orders for packaging for over 100 SKUs, oversaw all bottling and managed distribution for the clients in 36 states and in over 100 locations.

With Katie's knowledge and background, she would surely be a great asset to the evolving legal Cannabis industry.

Biography of Shanan Day

Shanan was born and raised in Northern California where she has spent most of her life. After graduation from Woodland High School she worked in the administrative field and with her father farming in the Sutter Basin. In 1986, she moved to Texas to help her father with his shrimp boat and shrimped the Gulf of Mexico, after having her first child she returned to Northern California to raise her daughter. She went to Western Career College and became a RDA and she excelled in the Dental/Surgical field becoming a member of the NCSOMS and ICOI and traveled the world assisting in live surgeries and speaking to her peers. She had her son in 1992 and continued her work in the Dental Surgical field until 2016 when she helped her step father close his dental practice after 50 years in business.

In 2016 Shanan started working with her step-father and son in the Cannabis sector. They had a small farm and became cultivators in Yolo County. Shanan became knowledgeable in areas of compliance and Track and Trace and with her administrative background has

been helping others stay organized and in compliance with their cannabis ventures. This is an exciting time for her and enjoys the challenge of a new frontier in the business world.

Shanan's enjoys working with her son and spending time with her daughter and grandchildren.

Biography of Samuel Marquez

Sam was born and raised in Northern California. He graduated in 2011 from Pioneer High School and then attended Mendocino College where he played football and started his college studies.

Sam has been involved in the Cannabis industry since 2014 where he worked on a small farm under a collective. He finished his AA at Mendocino and moved back to Woodland to finish college and continue working with his family in their small cultivation farm.

Today Sam is very involved in all aspects of the Cannabis sector and is still continuing his studies where he is taking Business classes so he has a full range of knowledge for his future.



COMMUNITY BENEFITS PLAN

Community relationships are paramount to the success of any business and our management team strongly believes in being a steward of the community and has a demonstrated history of such. Our team of ardent professionals will display nothing but the highest levels of business acumen and respect for Neighbor's in greater community. We will work closely with the state and local government officials and regulators, law enforcement, citizen leaders and other community stakeholders to ensure our operation is beneficial to the community and to enable the quick resolution of any concerns as they arise.

We are planning to implement a community relations program with Shanay Day, the project's CEO, assigned as point of contact to address neighborhood concerns.

Shanay Day will be made available to the City of Woodland Development Department at all times to address any needs or issues that may arise. We will provide the cell phone number and email address to all interested City Departments, Law Enforcement Officials and neighbors surrounding our facility. We strive to address all concerns, questions, and issues with our operations and we will encourage our community to bring any concerns with our procedures or the behavior of our members to Shanay Day for appropriate mediation and resolution. We believe this will help people to better understand what we do, and in turn avoid problematic circumstances due to misconceptions.

COMMUNITY PROGRAMS

ORMEX Enterprises, LLC and High Five Solutions, Inc are working to develop projects to improve the City of Woodland that address the common needs of the community. We believe with a little love, inspiration, and dedicated resources, that we can vastly improve the beauty of our local landscape. We plan to contribute at least 2% of gross revenues to these programs. The following are some projects we are excited to develop to make this a reality:

Ongoing Neighborhood Clean-Up and Graffiti Removal: With the guidance of local organizations with similar goals, ORMEX Enterprises, LLC and High Five Solutions, Inc will help provide resources in any area deemed necessary, this includes organizing community clean up days and graffiti removal projects. We understand the ongoing struggle and burden of cleaning up areas where dumping, graffiti and neglect have created undesirable and unattractive situations in our community.

Meals on Wheels: We understand the challenges that our community and our members face to provide elderly family members their day to day necessities. Our objective in donating money and time to Meals on Wheels will not only help the community, but individual families that face hardships when trying to help their elderly loved ones.

Holiday Family Hosting: This is a personal holiday tradition that the applicants have enjoyed doing. Each of us host a family either through a church or family and friend request. On Thanksgiving, we honor them with a full meal for their family and on Christmas we buy gifts for each family member chosen to put under their Christmas tree.

Our applicant, Sam Marquez, has for the last five years donated to the backpack program at our local schools. We will continue with our personal passions and bring them into our venture.

COMMUNITY CONTRIBUTIONS

We will work to make the City of Woodland a better place to live, work and thrive. Our operations will use its resources to improve the community through projects and local funding opportunities. We will partner with local charities and non-profit organizations to provide support and funding for worthwhile projects. Causes we value and will focus on helping in the community are graffiti, homelessness, helping the elderly and their families and our personal holiday family hosting.

BLACK MARKET ELIMINATION

Aiding in the elimination of illegal, problematic grow houses and the nuisances surrounding them is one of the biggest challenges the communities face today. Those nuisances include, but are not limited to, increased opportunity for crimes against property and persons at unsecured locations, obnoxious odors, fire hazards and the like. These growers hope to profit by selling cannabis on the black market, avoiding regulated and compliant operations which pay taxes and benefit the community at large. Our business aids in eliminating this behavior by providing legally grown cannabis to dispensaries in our neighborhood.

ODOR CONTROL PLAN

1460 Tanforan Ave.
Woodland, CA 95776

3/13/2018
Document Author:
Avignon Design
Brandon Thatcher
(916) 889-2700

RE:
Distribution
Manufacturing
Testing

1. TABLE OF CONTENTS

2. FACILITY INFORMATION

- a. 1460 Tanforan ave, Woodland, CA 95776
- b. Facility Owner- CRAEMER 1990 SURVIVORS TRUST
- c. Facility Operator- COORS WRIGHT
- d. Facility Hours of Operation- 6am to 10pm; 7 DAYS
- e. Emergency Contact Information- 617 699 7066
- i. CUP, BOP, and State Permit Numbers- (Pending)

3. FACILITY ODOR EMISSIONS INFORMATION

a. Facility Floor Plan

Included for Review

b. Specific Odor-Emitting Activities

Handling, storage, and processing of cannabis and cannabis bi-product

- I. Storage - Storage of cannabis will omit a substantial level of odor within the secured storage locations.
- II. Processing- The processing of the dry cannabis material will take place in the packaging Rooms, and the manufacturing warehouse while processing raw material. Packaging will emit high levels of odor throughout the Rooms while cannabis is being processed, packaged, and labeled.
- III. Testing – The handling and testing of cannabis products will produce hi levels of odor throughout the testing rooms

4) ODOR MITIGATION PRACTICES - ADMINISTRATIVE CONTROLS

c. Processing

The processing of dry cannabis material will take place in the packaging, manufacturing, and testing rooms. It will emit high levels of odor while cannabis is being processed, packaged, and labeled. The procedure for working in processing room is to maintain a sealed environment by keeping the door closed at all times. Inspecting the charcoal filtration system to make sure it is running is a mandatory procedure. Lastly, we will deploy one portable charcoal filtration system to be running at all times while processing is taking place to have an additional protection for controlling the odor.

5) STAFF TRAINING PROCEDURE

a. Responsible Employee

The facility director is responsible for the training of all staff members about odor control. The facility director will be required to provide training to every new staff member on the importance of odor control, the importance of closing doors to maintain a sealed environment, and the importance of checking the filtration systems to ensure that they are running. The facility director will also train every new staff member on how to properly check to ensure that the filtration systems are running properly. Lastly, the facility director will be responsible for training every staff member on how to deploy the portable charcoal filtration system safely and properly.

b. Duration of Training

The facility director will be required to provide 60 minutes of in-person odor control training during the initial orientation of all staff members on their first day on the job. After that, odor control shall be a topic of training at every staff safety meeting to ensure that all procedures are being reinforced and followed. The training will include the importance of closing doors and ensuring that the exhaust and filtration systems are running as required. Any staff member not following procedures related to odor control will be re-trained by the facility director and placed on administrative probation for not following procedure.

6) RECORDKEEPING SYSTEMS AND FORMS

a) Equipment

Each filtration system located in the facility shall be inventoried and recorded in a maintenance log spread sheet. The spreadsheet shall list the make and model of the filter, the date of installation, the expected life of the filter per the manufacturer's specifications, exact locations, and shall note any failed inspections by staff.

b) Training Logs.

The facility director shall document all training conducted by maintaining a sign-in sheet for all trainings and stored in a training records binder. All new staff members will sign an acknowledgement of training received during their orientation on their first day of work. This acknowledgement will be stored in their employee file.

7) ENGINEERING CONTROL

a) Components of the Odor Control System

System design:

The system was designed with two different air filtration strategies; positive air filtration systems, and negative air filtration systems. Negative air carbon/ charcoal filtration systems or {exhaust} will be utilized, in the common areas of the facility, offices, processing room, and the storage rooms. Anywhere there is a door entry to the facility it will open to a negative pressure carbon air filtration system to ensure no odors will leave the facility. Positive air filtration systems or {scrubbing} will be utilized in the areas of the facility storing, packaging, or handling cannabis products. All charcoal carbon filters are sized appropriately to the manufacturer's guidelines on CFM.

b) Operational Processes

Each day the operator will evaluate odors onsite and evaluate planned operations for the potential to release

objectionable odors. If the operator detects an objectionable onsite odors/he will take the following actions:

Investigate and determine the likely source of the objectionable odor.

Determine if onsite management practices could remedy the problem.
And immediately take steps to remedy the situation.

Determine whether or not the odor is traveling beyond the site by patrolling the perimeter of the site and determining wind patterns.

Determine whether or not the odor event is significant enough to warrant contacting the adjacent neighbors.

In the event that no odor event has taken place the operator shall proceed onto normal daily operations following the procedures as related to the specific odor event activities.

c) Maintenance plan

The goal for maintaining the charcoal carbon filtration system is to maintain the odor mitigation systems and optimize performance. All records shall be kept via excel spreadsheet to be submitted and reviewed by the facility director. All logs shall be maintained on site in the log book binder.

d) Responsible Personnell

The facility director shall oversee the facility odor mitigation
Maintenance program according to the standards set forth in this plan.

The facility manager will be the facility maintenance lead and shall be responsible for performing the maintenance according to this plan.

The facility manager may delegate a maintenance task to a staff member who is properly trained on how to perform the task, but the facility manager will be held accountable for completion of the task properly.

e) Maintenance activities

All charcoal carbon filters shall be maintained and inspected monthly by the Facility manager or supervised staff member.

All charcoal carbon pre-filters shall be inspected, and changed when needed to ensure a clean sealed environment

All charcoal carbon filters shall be replaced according to the maintenance log showing the change by date.
(manufacturer's recommendation)

All system fans will be required to be inspected monthly for signs of wear or repair. All conditions shall be noted.

Any repairs or noted issues shall be documented and submitted to the facility director.

8. TIMELINE FOR IMPLEMENTATION OF ODOR MITIGATION PRACTICES

- i. Approval of CUP by the planning department

- a) Pending approval
- ii. Approval of BOP by the City
 - a) Pending approval
- iii. Purchase and installation of equipment.

9. COMPLAINT TRACKING SYSTEM

In the event of significant odors where a complaint has been filed, the protocol is for the operator to inspect the location of a received complaint. The operator shall attempt to determine if an offensive odor exists and notify the City of the complaint and the determination of odor source.

In the event that the complaint cannot be verified in this manner, the operator will continue to perform self-monitoring and continue the best management practices described in this document. This section may include, but is not limited to, the mechanism for, and the responsible staff involved in, receiving odor-related complaints, how and by whom such complaints will be addressed, and how the odor complaint and response will be recorded (e.g., logbook, complaint report).

a) Protocol for Handling Complaints

Complaints may be received by either the operator or the City but shall be handled accordingly.

- I. The operator receives and reviews the complaint.
- II. The facility director will go to the location of the complaint to assess if the site may be responsible for the odor.
- III. The facility director shall document complaints in the Facility operations log, and on the attached complaint form.
- IV. The facility director assesses complaint and responds in the on-site log within 24 hours of receiving the complaint, or 48 hours should the citizen complaint be received on a weekend or holiday.
- V. The facility director implements reasonable recommendations suggested by experts or regulatory agencies. The operator will continue operations utilizing best management practices.