

See Disclosures on the Next Page

DISCLOSURES

Mandatory Submission

Submission of the requested information is mandatory unless otherwise noted on the application. The Bureau of Cannabis Control (Bureau) will use the provided information to determine qualification for licensure, per section 26051.5 of the Business and Professions Code and the Information Practices Act. Failure to provide any of the requested information will result in the application being deemed incomplete by the Bureau. The Bureau will also use this information to enforce licensing standards set by law and regulation, update and maintain current licensee information, and for mailing purposes.

Social Security Number/Individual Taxpayer Identification Number

Section 30 of the Business and Professions Code and Public Law 94-455 (42 U.S.C.A. 405 (c)(2)(C)) authorizes the collection of an owner's Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN). The disclosure of an owner's SSN or ITIN is mandatory. The information will be used exclusively for tax enforcement purposes and for purposes of compliance with section 17520 of the Family Code. If a SSN or ITIN is not provided, the Bureau will not process the application and you will be reported to the Franchise Tax Board, which may assess a \$100 penalty.

State Tax Obligation

Pursuant to Business and Professions Code section 31(e), the California Department of Tax and Fee Administration (formerly the Board of Equalization (BOE)), and the Franchise Tax Board may share taxpayer information with the Bureau. A licensee or applicant must pay its state tax obligation; an applicant's license may be suspended if the state tax obligation is not paid.

Owner(s) Mailing Address(es)

The Bureau sends all official correspondence to an owner's mailing address. This mailing address may be the owner's primary place of employment, residence, post office box, or mail drop.

Mailing addresses are considered public information and are disclosable pursuant to the California Public Records Act (Government Code section 6250 et seq.). Owner names, mailing addresses, licensing statuses, as well as formal disciplinary actions may be accessed on the Bureau website through the License Lookup feature. Please consider this, especially when listing a mailing address.

Financial Information

To ensure accountability and preserve the State's ability to adequately enforce against all responsible parties, the Bureau is authorized to collect detailed information regarding individuals with a "financial interest" in the commercial cannabis operation under section 26051.5 of the Business and Professions Code. "Persons with a financial interest" means an investment into a cannabis business, a loan provided to a cannabis business, or any other equity in a cannabis business that is not qualified as an owner. It does not include persons whose only interest in a licensee is an interest in a diversified mutual fund, blind trust, or similar instrument. The applicant must provide the following information for all non-owners with a financial interest: their name, date of birth, and type of government issued identification and identification number.

Premises Location

Business and Professions Code section 26054(b) provides that a licensed premises "shall not be within a 600-foot radius of a school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center that is in existence at the time the license is issued, unless a licensing authority or a local jurisdiction specifies a different radius." The Bureau will determine as to whether the proposed premises is located in an area as described in the application and required documents.

Access to Personal Information

The Bureau makes every effort to protect the personal information provided by license applicants. Application information may be disclosed, however, as permitted in response to a California Public Records Act request (Government Code section 6250 et seq.), as permitted by the Information Practices Act (Civil Code section 1798 et seq.), to another government agency as required by state or federal law, in response to a court or administrative order, a subpoena, or a search warrant.

Public Information

The Bureau makes every effort to protect the personal information provided by license applicants. Application information may be disclosed, however, as permitted in response to a California Public Records Act request (Government Code section 6250 et seq.), as permitted by the Information Practices Act (Civil Code section 1798 et seq.), to another government agency as required by state or federal law, in response to a court or administrative order, a subpoena, or a search warrant.

Pursuant to the California Public Records Act (Title 1, Division 7, Chapter 3.5, Government Code sections 6250-6277), on request, the Bureau discloses licensee information including, but not limited to:

- Name
- Mailing address
- License number
- License status
- Original license issue date
- Last license renewal date
- License expiration date
- Disciplinary action
- Copy of license renewal applications
- Copy of license application (excluding personal information such as birth date and social security number)

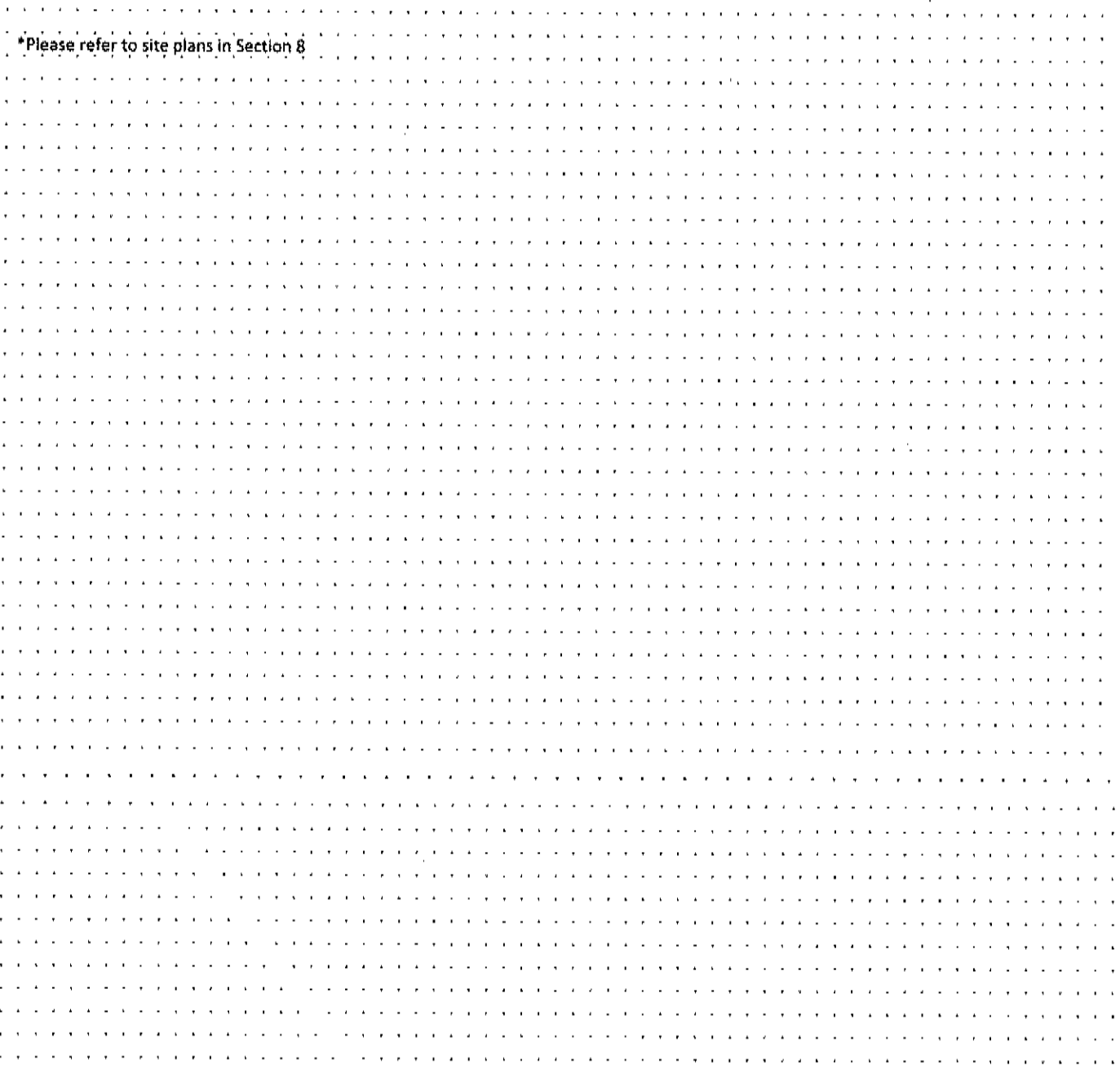
PREMISES DIAGRAM

The premises diagram must be drawn to scale and clearly identify property boundaries, entrances, exits, interior partitions, walls, rooms, windows and doorways. The activities in each room and the location of all cameras must be identified on the diagram. For more detailed information see the instructions on the back.

Full Name of Applicant ELEMENT 7 FAIRFAX, LLC				License Type Applied For TYPE 10	
Proposed Premises Street Address 1930 SIR FRANCIS DRAKE BLVD	City FAIRFAX	State CA	ZIP 94930	Nearest Cross Street CLAUSE DRIVE	

Diagram

*Please refer to site plans in Section 8



Applicant Signature 	Date Signed 12-22-2019	
BCC Use Only (Signature/Certified Correct)	Printed Name	Inspection Date

PREMISES DIAGRAM INSTRUCTIONS

Scale: diagram must be to scale and cannot contain any highlighting. All markings on the diagram shall be in black and white ink.

Areas: diagram shall show the property boundaries, premises boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, windows, and doorways and shall include a brief statement or description of the principle activity to be conducted in each area of the premises and all limited-access areas.

All applicable cannabis activities must include the following on the diagram: storage, batch sampling, loading/unloading of shipments, packaging and labeling, customer sales, loading for deliveries, extraction, cultivation, or processing. If the premises consist of only a portion of a property, the diagram must be labeled indicating which part of the property is the cannabis premises and what the remaining property is used for.

If the premises is on a property that will contain two or more licenses premises, it shall clearly show the designated entrances and walls under the exclusive control of the applicant for the premises, as well as the entrances and walls for each additional premises. All common areas must be labeled on the diagram, such as: lobbies, bathrooms, hallways and breakrooms, if applicable.

If the premises is located on only a portion of a property that also includes a residence, the diagram shall clearly show the designated building for the premises and the residence.

The premises shall not be in a location that requires persons to pass through an establishment that sells alcohol or tobacco to access the cannabis premises or requires persons to pass through the cannabis premises to access an establishment that sells tobacco or alcohol.

Additional requirements for microbusiness: the diagram must include measurements of the planned canopy, including aggregate square footage and individual square footage of separate cultivation areas, if any. All roads and water crossings on the property.

Video Surveillance requirement for all license types: camera(s) must be permanently mounted and in a fixed location which must be identified on the premise diagram. Each camera must be numbered for identification purposes. Each camera shall be placed in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit and allows for the clear and certain identification of any person and activities in all areas required to be filmed. The areas that shall be recorded include but are not limited to the following: 1) all areas where cannabis goods are weight, packed, stored, loaded and unloaded for transportation, prepared, or moved within the premises; 2) all limited-access areas; 3) all security rooms; 4) areas storing the surveillance-system storage device with at least one camera recording the access points to the secured surveillance recording area; and 5) all entrances and exits to the premises, which shall be recorded from both indoor and outdoor vantage points.

Additional Video Surveillance requirements for storefront retailers: camera(s) must record point-of-sale areas and areas where cannabis goods are displayed for sale. The camera must allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.

**Bureau of Cannabis Control
CEQA Exemption Petition Form**

(To be completed by applicant – attach additional sheets as needed)

If a previously certified or adopted environmental document is not available or does not exist, you must submit a completed CEQA Exemption Petition Form to request that the Bureau of Cannabis Control (Bureau) consider whether the project is exempt from further CEQA review. You must also submit a completed Project-Specific Information Form to facilitate the processing of your application. The Bureau will use the Project-Specific Information Form to determine whether the project has the potential to generate significant adverse environmental impacts that may require preparation of a CEQA document or the need for additional information. (Cal. Code Regs., tit. 14, § 15060(a) [CEQA Guidelines]).

Please provide detailed responses to the items below. If more space is needed, additional pages may be added. Submit the completed form, attachments, and additional documents with your application for annual licensure. Missing, incomplete, or inconsistent information may delay the processing of your application. Applicants must complete this form to request the Bureau of Cannabis Control (Bureau) to consider whether the project is exempt from further California Environmental Quality Act (CEQA) review when the local jurisdiction from which they received authorization to conduct commercial cannabis activity did not certify a CEQA document.

Applicant Name: ELEMENT 7 FAIRFAX, LLC

Application Number: N/A

Local jurisdiction (city/county): MARIN, COUNTY (TOWN OF FAIRFAX)

Justification for categorical exemption (refer the partial list of categorical exemptions provided below)

Class: 1 Category: EXISTING FACILITY

Explanation of how the project fits the exemption indicated above:

Our Retail Storefront location is an existing facility not involving negligible or any expansion of use beyond that existing at the time of the lead agency's determination.

The undersigned hereby requests that the Bureau consider whether the proposed activities are exempt from further environmental review pursuant to the California Environmental Quality Act, as amended. In completing this request, the applicant is affirming the applicant's belief that no significant environmental impact will result from the proposed project.



Applicant Signature

Robert DiVito

(Applicant Printed Name)

12-26-19

(Date)

Partial List of Categorical Exemptions under CEQA

Certain commercial cannabis activities (projects) may be exempt from further environmental review pursuant to the California Environmental Quality Act (CEQA) because they fall within a class of projects determined not to have significant effect on the environment. (Cal. Code Regs., tit. 14, § 15300 et seq.) Common exemptions that may apply have been identified below.

Class	Category	Description
Class 1	Existing Facilities	Consists of the operation, repair, maintenance, permitting, leasing, licensing, 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 agency's determination. (Cal. Code Regs., tit. 14, §15301.)
Class 2	Replacement or Reconstruction	Consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced with a new structure of substantially the same size, purpose, and capacity. (Cal. Code Regs., tit. 14, § 15302.)
Class 3	New Construction or Conversion of Small Structures	Consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure. (Cal. Code Regs., tit. 14, § 15303.)
Class 4	Minor Alterations to Land	Consists of minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees except for forestry and agricultural purposes. (Cal. Code Regs., tit. 14, § 15304.)
Class 5	Minor Alterations in Land Use Limitations	Consists of minor alterations in land use limitations in areas with an average slope of less than 20%, which do not result in any changes in land use or density. (Cal. Code Regs., tit. 14, § 15305.)
Class 15	Minor Land Divisions	Consists of the division of property in urbanized areas zoned for residential, commercial, or industrial use into four or fewer parcels when the division is in conformance with the General Plan and zoning, no variances or exceptions are required, all services and access to the proposed parcels to local standards are available, the parcel was not involved in a division of a larger parcel within the previous 2 years, and the parcel does not have an average slope greater than 20 percent. (Cal. Code Regs., tit. 14, § 15315.)
Class 32	In-Fill Development Projects	Consists of projects characterized as in-fill development meeting the conditions described in Cal. Code Regs., tit. 14, § 15332.

FINANCIAL INFORMATION FORM

Instructions: You must complete every section on the form for each item that is listed. Forms that are incomplete will be returned.

FINANCIAL HISTORY - Attach additional copies if needed

Section A - List all investments made into the applicant's commercial cannabis business

1. Name of Investor ROBER DIVITO	Address 8033 SUNSET BLVD. #987 LOS ANGELES, CA 90036	Phone Number 312-823-7638
Term(s) of Investment INVESTOR	Date of Investment 12/01/2018	Amount \$ 1,000
2. Name of Investor	Address	Phone Number
Term(s) of Investment	Date of Investment	Amount \$
3. Name of Investor	Address	Phone Number
Term(s) of Investment	Date of Investment	Amount \$
4. Name of Investor	Address	Phone Number
Term(s) of Investment	Date of Investment	Amount \$

SECTION B - List all loans made to the applicant's commercial cannabis business

1. Name of Lender	Address	Phone Number
Term(s) of Loan	Security Provided For Loan	Date of Loan
		Amount \$
2. Name of Lender	Address	Phone Number
Term(s) of Loan	Security Provided For Loan	Date of Loan
		Amount \$
3. Name of Lender	Address	Phone Number
Term(s) of Loan	Security Provided For Loan	Date of Loan
		Amount \$

SECTION C - List all funds belonging to the applicant

Financial Institution Name	Address	Account Type	Account Number	Amount \$
Financial Institution Name	Address	Account Type	Account Number	Amount \$
Financial Institution Name	Address	Account Type	Account Number	Amount \$
Financial Institution Name	Address	Account Type	Account Number	Amount \$

SECTION D - List all gifts of any kind given to the applicant for use in conducting commercial cannabis activity

Name of Provider	Address	Phone Number	Value/Description of Gift
Name of Provider	Address	Phone Number	Value/Description of Gift
Name of Provider	Address	Phone Number	Value/Description of Gift

Transportation Procedures

Please provide a detailed response to the items below. If more space is needed additional pages may be added. Microbusinesses must complete this form for each commercial cannabis activity they intend to engage in.

Business Name and Application Type:

ELEMENT 7 FAIRFAX, LLC RETAIL STOREFRONT

Primary Contact Name, Email, and Phone Number:

ROBERT DIVITO, robert@e7ca.com 312-823-7638

1. Identify whether the applicant intends to transport cannabis goods, or will be contracting for transportation services.

Element 7 does not intend to transport cannabis goods, but will enter into contracts with state-licensed distribution companies.

2. If transporting cannabis goods, provide the following information:

a. Whether the applicant intends to transport to all license types, or is limiting transportation to only certain license types.

Not Applicable.

b. The geographic regions the applicant will transport to and from, and whether the applicant expects to transport overnight.

Not Applicable.

c. Vehicle and trailer information, which includes:

i. Number of vehicles to be used.

Not Applicable.

ii. Type of vehicles or trailers to be used, including make, model, year, and vehicle identification number (VIN).

Not Applicable.

iii. Registration and insurance information for each vehicle being used.

Not Applicable.

iv. Whether the applicant has or will be applying for a motor carrier permit, list permit numbers (if applicable).

Not Applicable.

d. Driver information, which includes:

i. All employees that are or will be transporting cannabis goods, either as a driver, or a passenger, including name and age of employee, driver's license information, and list the roles and responsibilities for each employee.

Not Applicable.

ii. Will any security personnel accompany employees transporting cannabis goods? Specify whether security personnel will be employees or contracted. If contracting for security, provide the name of the company, license number, contact person, and phone number.

Not Applicable.

e. Information regarding the storage of cannabis goods in the vehicle, which includes:

i. A description of how the applicant intends to store cannabis goods in each vehicle or trailer, i.e., what area of the vehicle or trailer will be used for storage.

Not Applicable.

ii. A description of how the applicant intends to secure cannabis goods in each vehicle.

Not Applicable.

iii. A description of how the applicant will ensure that cannabis goods are not visible or identifiable from outside each vehicle.

Not Applicable.

f. Information regarding all security measures the applicant will have in place for the transportation of cannabis goods, including, but not limited to:

i. Describe the alarm systems for each vehicle.

Not Applicable.

ii. Other security measures used during the transporting of cannabis goods.

Not Applicable.

g. Whether the applicant is located within a building or on the same parcel of land as another licensee, for which transportation by motor vehicle is not operationally feasible, and how the applicant will be transporting cannabis goods, if not by motor vehicle.

Not Applicable.

3. If contracting for transportation services, provide a list of transportation services used, and a copy of the contract for each, if applicable.

Once we have received our local license, we will provide the Bureau with a contract from the transportation service (which would be with a state-licensed Distribution Company).

Applicant Signature



Date Signed
12-22-2019

Inventory Procedures

Please provide a detailed response to the items below. If more space is needed additional pages may be added. Microbusinesses must complete this form for each commercial cannabis activity they intend to engage in.

Business Name and Application Type:

ELEMENT 7 FAIRFAX, LLC RETAIL STOREFRONT

Primary Contact Name, Email, and Phone Number:

ROBERT DIVITO, robert@e7ca.com 312-823-7638

1. Using a diagram, indicate where on the licensed premises cannabis goods will be stored.

Please see attached diagram.

2. Describe who has access to the areas in which cannabis goods are stored.

The Quality Control Manager and Inventory Manager will have access to areas where cannabis goods are stored. In addition to the CEO, Directors, Store Manager, and Assistant Managers.

3. Describe the security measures in place at the location where cannabis goods are stored.

All areas that hold cannabis or cannabis goods are considered to be "limited-access" areas at the facility and require a manager or employee with to allow access to this area which is under video surveillance at all times. Cameras are strategically positioned on all areas that store cannabis and cannabis goods. For no reason should an employee that is not accompanied by a Quality Control Manager, Inventory Manager, CEO, Director, Store Manager or Assistant Manager be in this area, same applies for visitors and contractors. Town and Bureau officials will be granted access to this area if requested. All storage areas containing cannabis and/or cannabis products will be secured with an alarm system, which includes video surveillance and monitoring. All storage areas will be locked at all times when not in use.

4. Describe the conditions of the location where the cannabis goods are stored. Can the temperature and/or humidity be controlled?

All storage areas will be temperature controlled to help preserve product quality and the default temperature setting should not exceed 75 degrees Fahrenheit. Goods are stored under conditions and for a period that has no adverse effect on their quality.

Storage areas will contain refrigeration equipment to ensure that cannabis goods that require refrigeration are stored within a darkened area, at no more than 60% humidity, and with temperatures maintained between 35 to 42 degrees F. Storage areas will not have windows and will be kept dark (except when inserting/removing inventory) to protect inventory from exposure to direct sunlight. These areas will remain dry, well ventilated, have temperature-control features to avoid extreme temperature fluctuations and appropriate odor-control features.

5. Describe the training provided to employees regarding inventory procedures.

Prior to an employee having access to the inventory they must undergo a minimum of 25 hours shadowing and hands-on activity. The training will be given by the General Manager and will require the employee to pass a series of tests pertaining to inventory control and management at the facility. In addition, the employee will be required to attend mandatory training sessions once a month, given by the General Manager and industry leaders as it relates to successful inventory procedures.

6. Describe the process for receiving new inventory of cannabis goods.

Element 7 will ensure the warehousing facility has adequate space for receiving. The designated retail space will be clean, free of clutter and debris, have adequate lighting, and be organized so that product can easily be placed in an orderly fashion on shelving. Element 7 will provide all necessary receiving equipment such as carts and dollies, whenever possible, to minimize injury due to lifting and carrying heavy loads. No products that are not lab tested will be allowed in the retail store at all.

Inventory Manager must record and review the quantity and quality of products received. Shipping manifests must be created and maintained to track and record product transfers between licensees. Upon transfer, the Inventory Manager confirms the cannabis goods presented match the corresponding Purchase Order and Shipping Manifest. When there are any discrepancies, address them and instruct retail employees as how to handle the situation. Inventory Manager must keep an Inventory log (via the POS system) containing the following information for each cannabis/cannabis good (batch): Where the batch originated and license number of the cultivator or manufacturer, the date of physical transfer to Element 7, the time the batch arrived on-site, the UIDs for the batch, the total weight/amount of the batch, where you keep the batch, the storage conditions the batch is held in, the best-by, sell-by, or expiration date of the batch, if any, shipping manifests and bills of lading, a copy of the service or sale contract pertaining to the batch, and warehouse receipts. Products must be transferred by authorized personnel and documented within the internal accounting system, delivered from backdoor, counted outside of limited access area, then pick up and move into the LAA.

a. Describe where the cannabis goods are received.

All cannabis and/or cannabis products are received in a secure area of the rear of the facility which is under 24 hour video surveillance. Cannabis and cannabis goods are immediately moved to the appropriate storage area after the receiving process is complete and the receipt of inventory is documented on our internal METRC compliant software. Different areas within the facility are clearly labeled and divided to create separation between goods.

b. Identify who will receive the cannabis goods, such as a manager or an employee.

The Inventory Manager/General Manager as well as CEO, Directors, and Assistant Managers at the facility will be in charge of receiving cannabis and cannabis goods. The Inventory Manager/General Manager will be accompanied by an employee that also has the designated access to the storage area.

c. Describe how the cannabis goods are moved to the cannabis storage area.

The Inventory Manager is responsible for moving each product thru the facility, as well as the internal accounting system, thus ensuring each product has been properly inspected for quality control, laboratory tested, labeled with state mandated verbiage, and is fully compliant and ready for retail. Element 7's Quality Control Manager will help oversee these processes and verify all documentation. Having two people work side by side on this helps guard against theft and most importantly, ensures the inventory is properly managed and recorded.

d. Describe what records are produced.

Upon transfer, the Inventory Manager must confirm the cannabis goods presented match the corresponding Purchase Order and Shipping Manifest.

7. Describe the type of inventory records that are produced and maintained regarding the movement of inventory.

Our in-house accounting POS system will be integrated with METRC and will enable us to electronically track products thru the various stages of retail. This helps provide a real-time understanding of all warehoused goods. It will also record all relevant account management information including sales and invoices.

8. Describe the process for removing cannabis goods from inventory.

Please refer to attached Recall Plan.

a. Describe what happens to the cannabis goods after they are removed from inventory, including any records that are produced.

Please refer to attached Recall Plan.

9. Describe the methods used to ensure that the cannabis goods stored are preserved and do not degrade.

Our Inventory Control Manager will have Inventory Staff conduct random audits of our products located both in our storage and on our sales floor.

10. How often is inventory reconciliation conducted?

Inventory reconciliation is conducted two times a month. The Element 7 Inventory Manager and an authorized employee will reconcile all inventory by performing a physical check and maintaining a log (via POS System) containing the following information for each cannabis/cannabis good:

- Name and license number of the manufacturer or cultivator who provided the batch
- Date of entry into the storage area
- Unique identifiers and batch number associated with the batch
- Description of the cannabis goods with enough detail to easily identify the batch
- Weight of or quantity of units in the batch
- Best-by, sell-by, or expiration date of the batch, if any
- Where on the premises the batch is located, which is in the facility's limited- access Cannabis Inventory Storage Area.

a. Describe the process for inventory reconciliation and the types of records that are produced.

Please refer to our Recall Plan which incorporates our process for inventory reconciliation.

Applicant Signature



Date Signed

12-22-19

Non-Laboratory Quality Control Procedures

Please provide a detailed response to the items below. If more space is needed additional pages may be added. Microbusinesses must complete this form for each commercial cannabis activity they intend to engage in.

Business Name and Application Type:

ELEMENT 7 FAIRFAX, LLC RETAIL STOREFRONT

Primary Contact Name, Email, and Phone Number:

ROBERT DIVITO, robert@e7ca.com 312-823-7638

1. Describe the applicant's procedures for packaging and labeling.

- a. Procedures for verifying labeling contents for cannabis goods batches, when transferring between licensees and storage. Include how the applicant verifies the name, license number of manufacturer or cultivator, date of entry into storage area, unique identifiers and batch number, description of cannabis goods, weight and/or quantity of units in batch, and expiration or sell-by date (if applicable).

At the facility the Inventory Manager will fill out a manifest that contains the name, license number, date of entry into storage and UIDs both on a form, and also in the POS system. At this time expiration date is not entered into the computer system.

- b. Procedures for verifying labeling contents for cannabis goods for retail sale including final form of verification, primary panel labeling, and informational panel labeling.

The General Manager will ensure that all labeling contents are accurate according to the following:

- (a) The cannabis goods were received by Element 7 from a licensed distributor or licensed microbusiness authorized to engage in distribution;
- (b) Element 7 has verified that the cannabis goods have not exceeded their bestby, sell-by, or expiration date if one is provided;
- (c) in the case of manufactured cannabis products, the product complies with all requirements of Business and Professions Code section 26130 and California Code of Regulations, Title 3, Division 8 and Title 17, Division 1, Chapter 13;
- (d) The cannabis goods have undergone laboratory testing as required by the Act and Chapter 6 of this division;
- (e) The batch number is labeled on the package of cannabis goods and matches the batch number on the corresponding certificate of analysis for regulatory compliance testing.

- c. Procedures for verifying labeling contents for cannabis goods for retail sale including net weight (if applicable), identification of the source and date of cultivation, type of cannabis, date of packaging, county of origin (if applicable), allergen warning (if applicable), and unique identifier.

Label contents will be verified by the Inventory Manager prior to going to the floor for sale to the public. Element 7 has compiled a "Labeling Check-list" of requirements that must be checked off by the Inventory Manager or Inventory Assistant prior to sale.

d. Procedures for verifying government warning label requirements.

Label contents will be verified by the Inventory Manager prior to going to the floor for sale to the public. Element 7 has compiled a "Labeling Check-list" of requirements that must be checked off by the Inventory Manager or Inventory Assistant prior to sale which includes ensuring that the government warning labels are included as well.

e. Procedures for verifying cannabis products required to have "For Medical Use" labeling, if applicable.

Label contents will be verified by the Inventory Manager prior to going to the floor for sale to the public. Element 7 has compiled a "Labeling Check-list" of requirements that must be checked off by the Inventory Manager or Inventory Assistant prior to sale which includes ensuring that the "For Medical Use" labels are included as well.

f. Procedures for verifying packaging requirements including tamper-evident, child-resistant, and resealable child-resistant exit packaging, if applicable.

Packaging requirements are verified by the Inventory Manager prior to going to the floor for sale to the public. Element 7 has compiled a "Packaging Check-list" of requirements that must be checked off by the Inventory Manager prior to sale which includes ensuring that the packaging is tamper-evident, child-resistant and exit packaging is resealable and child-resistant. For extra security, a visual and physical inspection is conducted on all products to ensure the cannabis/cannabis goods were not tampered with, are child-resistant and our exit packaging is resealable and child-resistant.

2. Describe how the applicant will avoid and/or limit deterioration and contamination of any cannabis goods, including, but not limited to: pest control, environmental controls, maintenance and cleaning services.

In order to prevent deterioration at the facility, employees will implement the following measures:

Cannabis goods will be stored using an appropriate container-closure to protect against contamination or deterioration during storage;

Cannabis goods will be stored under conditions consistent with the conditions under which the component is stored at the manufacturing operation:

a. Labels and other packaging components must be received and stored pending approval as follows:

Upon receipt and before acceptance, each container or grouping of containers of packaging components must be visually examined for appropriate labeling as to contents;

Employees will look for any damage to the container or broken seals if any. This will help to determine whether the condition of the container may have resulted in contamination or deterioration of the packaging components.

3. Describe the applicant's procedures for handling returns.

The Inventory Manager at the Facility will institute the Product Recall Program should any of the cannabis products be shown to be, or potentially be, defective or have a reasonable probability that their use or exposure to the product will cause adverse health consequences. This Product Recall Program includes the method of identification of the products involved; notification to the distributor that supplied the product and then associated steps for recovering and destroying the product.

Element 7 will have all of information necessary for any product recall which is stored within the Facility Data Management System. All information concerning the product, the unique serial number and the batch number will be readily available within such System. Accordingly, the Applicant will not need to undertake any extraordinary measures to gather and disseminate the necessary information.

Should a product recall be warranted the notice will include the following information:

- The reason for the recall and product failure;
- Identifying information for the cultivation facility involved;
- Identifying information about each patient or customer that received any of the recalled cannabis;
- Product(s) involved;
- Batch numbers;
- Unique serial number tying the product to the cultivation facility and batch number; and
- Date that the product was sold to the patient or customer.

The Employee Training Program built for and managed at the Facility would run employees through 'simulated product recall scenarios' so that they are properly trained and ready, if ever the situation requires.

Such forward thinking planning and training would put the Applicant at the forefront of the industry in terms of both product quality and product management.

4. If applying for a distributor license, provide the following information.

a. Storage procedures, which include:

i. Whether the applicant is providing storage-only services to other licensees, and if so, which licensees and license types.

Not Applicable.

ii. Identify all limited-access areas on the premises, and storage areas of cannabis goods in limited-access areas.

Please see attached floor plans.

iii. Procedures for storage and separation of cannabis goods batches for testing.

Not Applicable.

b. Labeling and packaging procedures, which include:

i. When labeling and packaging will occur.

Not Applicable.

ii. Area of premises where labeling and packaging will occur.

Not Applicable.

c. Sampling procedures, which include:

i. Provide the timeframe for making testing arrangements after taking physical possession of cannabis goods batches.

Not Applicable.

ii. Provide the sampling procedures for ensuring correct batch size, incremental sampling, and how the distributor will ensure that the distributor employee has no contact with cannabis goods or sampling equipment.

Not Applicable.

iii. Provide procedures for video recording sampling of cannabis goods batches.

Not Applicable.

iv. Provide chain of custody procedures for cannabis goods batches.

Not Applicable.

d. Testing results procedures, which include:

i. Procedures for a failed sample, including remediation and/or cannabis waste procedures.

Not Applicable.

ii. Procedures for a passed sample.

Not Applicable.

iii. Track and Trace procedures following testing.

Not Applicable.

iv. Certificate of Analysis review procedures.

Not Applicable.

Applicant Signature



Date Signed
12-22-2019

Security Procedures

Please provide a detailed response to the items below. If more space is needed additional pages may be added. Microbusinesses must complete this form for each commercial cannabis activity they intend to engage in.

Business Name and Application Type:

ELEMENT 7 FAIRFAX, LLC RETAIL STOREFRONT

Primary Contact Name, Email, and Phone Number:

ROBERT DIVITO, robert@e7ca.com 312-823-7638

1. Describe who is responsible for implementing the Security Operating Procedures and list each person's role and responsibilities.

Corey English (Security Advisor) - Corey is in charge of ensuring that all security is properly trained regarding the Fairfax location. Corey also ensures that security staff are knowledgeable about the Standard Operating Procedures as it relates to deliveries arriving at the facility, visitors, contractors and daily-tasks to ensure that both the public and patrons of the facility are safe.

2. Describe how the applicant will ensure all access points will be secured, which includes a description of all entrances and exits, windows, and doorways and the types of locks used.

The facility is constructed using state-of-the-art commercial-grade doors with interior access controls, surveillance cameras, and alarms exceeding the requirements imposed by BCC and any applicable local ordinances. All entrances into the facility will be locked at all times, with entry controlled by the facility's security team. The entry door to the facility is guarded by a member of the company's security team member. In addition, Entrances and exits to the premises, are recorded from both indoor and outdoor vantage points.

To prevent diversion and theft, rooms containing cannabis will be equipped with commercial grade lock. The locks will mesh with the facility's access control system to prevent unauthorized movement throughout areas -- specifically storing cannabis. All door strikes will remain securely locked in the event of a power failure; however, they will be accessible using a master key. All ingress/egress points both to the facility and within the facility will remain securely locked, however the front door is a sliding glass door with one lock on it. The facility has a metal grate that locks inside of the glass sliding door. The locks securing the ingress/egress points will be commercial grade and contain a deadbolt device. The backdoor to the facility is a push bar exit that is locked with padlocks at night from the inside. Further detail of securing access points in and around our facility is included in our security plan.

3. Describe the procedures for allowing individuals access to the premises, which includes:

a. A list of employees who have access including their roles and responsibilities.

No employees are hired at this time.

b. A description of how the applicant will ensure only authorized persons have access to the licensed premises and its limited access areas.

Element 7 will ensure that only authorized persons have access to the licensed premises and its limited access areas by always being alert with where employees, visitors, and contractors are at all times. Any visitors to the facility are accompanied by a Manager, CEO, Director, or Assistant Manger at all times. In addition, limited-access areas are always under surveillance and security monitors are constantly being watched by the security personnel. We also execute a Level "key" system which allows and/or restricts certain badge holders to specific areas within our facility.

- c. A description of how the applicant will maintain an accurate record of all non-employee authorized individuals allowed onsite, in conformance with section 5042 of the Bureau's regulations.

Element 7 ensures that only employees of the licensee and other authorized individuals access the limited-access areas of the licensed premises. Upon entry, all Visitors will be required to check-in with security personnel. All such Visitors must meet the following requirements:

Visitor's age must be verified via inspection of a government issued photo ID.

The Visitor must sign-in on the "limited-access area visitors" log. Visitor will be given a "Visitor Badge," and the identification number of that Visitor Badge has been recorded in the E7 log.

An employee will be escorting the Visitor during the entire duration of the visit.

Upon exiting the limited-access area, the Visitor will return the Visitor Badge.

-
4. Describe how the applicant will comply with the employee badge requirement in section 5043 of the Bureau's regulations, including how the applicant will assign employee numbers and what the procedures are when an employee changes responsibilities or leaves the employment of the licensee.

All employees, management, and visitors will be required to wear an identification badge/card for specific access. All agents, officers, or other persons acting for or employed by Element 7 engaging in commercial cannabis activity. The identification badge includes the Element 7 "doing business as" name and license number, the employee's first name, an employee number exclusively assigned to that employee for identification purposes, and a color photograph of the employee that clearly shows the full front of the employee's face and is at least 1 inch in width and 1.5 inches in height.

-
5. Provide a description of the video surveillance system, which includes:

- a. A description of the types of cameras and video storage equipment.

We will install a minimum of 15 Fixed Network Dome Cameras at the facility. The video storage equipment is housed within the limited-access area and is not easily accessible.

- b. A description of the camera placements and the number of cameras to be used.

Please refer to Security Floor Plan. Cameras are placed both inside the facility (all areas of ingress and egress--including our limited access areas).

- c. A description of the procedures for the maintenance of the video surveillance equipment.

The Security Manager, along with the manufacturer will retain responsibility of ensuring that all security and surveillance remains in good working order and that all equipment and systems and devices are routinely inspected and tested yearly.

d. A description of how the applicant will be notified of video surveillance system-failure or malfunction. The video surveillance system will be equipped with a failure notification system that provides prompt notification to the manager of record of the licensed premises of the cannabis business of any surveillance interruption.

e. A description of how the video surveillance system will be monitored.

During normal hours of operation, the security officer will be assigned to both monitor the facility CCTV system, as well as walk around. For camera monitoring Security personnel will maintain a record of their observations and any suspicious activities they witnessed. Cameras will be programmed to systematically give security personnel virtual patrol of the interior and exterior of the facility.

Element 7 will be able to view (but not alter) all surveillance footage on an ongoing basis.

f. A description of how the applicant will produce copies of video recordings at the licensed premises immediately upon request of the Bureau.

Element 7 will maintain a twenty-four (24) hour live feed with motion-activated recording capabilities from all video cameras, which Element 7 can make available for immediate viewing by the BCC and/or local authorities upon request and will retain the recordings for a minimum of 90 days.

Element 7 will provide the Department with copies of all footage within 24 business hours of the Department's request. If Element 7 is unable to produce the requested surveillance footage within 24 business hours, Element 7 will notify the Department telephonically, via email, and through first class US Mail immediately upon identifying any delays.

g. A description of how the applicant will share the video surveillance system with other licensees (when sharing services at the same location), if applicable.

Not applicable.

6. Provide information regarding the use of security personnel onsite, which includes:

a. Whether the security personnel will be employed by the applicant or contracted. If contracted, provide the name of the security company, license numbers, contact person, phone number of personnel that will be providing services, and a copy of the contract.

At the time of our submittal, we have not contracted with a local security company. However we have a relationship with GSG Protective Services (Corey English):

GSG Security Services
License Number: #16545
Key Contact: Corey English
Contact Number: (310) 425 3516

- b. Where the security personnel will be stationed on the licensed premises and/or which areas will be covered by roving security.

A Security officer will sit in the front area and is able to watch security cameras from his/her desk.

- c. The hours security personnel will be onsite.

Security will be on the premises during all hours of operation, including an hour before opening and an hour after closing.

- d. A description of how the applicant will share security personnel with other licensees (when sharing services at the same location), if applicable.

Not Applicable.

- e. Will the security personnel be armed or unarmed?

Unarmed.

7. Provide a description of the security alarm system, which includes:

- a. The name, license number, address, phone number, and contact person of the alarm company that installed, maintains, and monitors the alarm system.

To prevent diversion, theft, and loss, Element 7 secure the perimeter of the facility and all points of ingress/egress, including doors, windows, and other entry points using a series of interconnected alarms. All security alarms are audible (interior/exterior) and are professionally installed by a licensed alarm operator and monitored by a third-party security monitoring service. The facility is equipped with motion detectors, intrusion alarms, panic buttons, false alarms, failure notifications and back up alarm.

GSG Security Services
License Number: #16545
Key Contact: Corey English
Contact Number: (310) 425 3516

b. How the applicant will ensure the alarm system remains operational, including the frequency of maintenance checks by the alarm company.

A representative from the manufacturer will conduct alarm tests to ensure that all alarms are working properly on a yearly basis.

c. A description of the alarm system features, including whether it has motion detection sensors inside the premises.

The facility is equipped with motion detectors, intrusion alarms, panic buttons and false alarms.


d. A description of how an alarm will be responded to, including whether law enforcement personnel will be notified.

Once an alarm sounds off, Robert Divito is notified first--immediately followed by local law enforcement personnel.

e. A description of how licensees will be sharing the alarm system with other licensees (when sharing services at the same location), if applicable.

Not applicable.

Applicant Signature



Date Signed
12-22-2019

Delivery Procedures

Please provide a detailed response to the items below. If more space is needed additional pages may be added. Microbusinesses must complete this form if they intend to engage in retail activity that includes delivery.

Business Name and Application Type:

ELEMENT 7 FAIRFAX, LLC RETAIL STOREFRONT

Primary Contact Name, Email, and Phone Number:

ROBERT DIVITO, robert@e7ca.com 312-823-7638

1. Provide a list of each vehicle that will be used in the delivery of cannabis goods. Provide the year, make, model, color, vehicle identification number (VIN), and license plate number for each vehicle. Also, indicate whether each vehicle is equipped with a vehicle alarm system.

We plan to use Hyundai Ioniq Hybrids for our delivery services. All of our delivery vehicles will be equipped with GPS and vehicle alarm systems (including driver panic buttons).

2. Provide a list of each employee that will be conducting deliveries of cannabis goods. Provide the full name, date of birth, and driver's license number for each employee.

Not Applicable at time of submittal.

3. Describe the training provided to delivery employees.

Please refer to our Delivery Operations Plan in Section 6.

4. Describe the process for accepting new delivery orders. If a technology platform is used, please describe how customers place orders, how the orders are received, and who at the retailer receives the orders through the platform.

Please refer to our Delivery Operations Plan in Section 6.

5. Describe the process for preparing orders of cannabis goods for delivery.
Please refer to our Delivery Operations Plan in Section 6.

6. Describe how cannabis goods will be stored in the delivery vehicle while deliveries are being conducted. Include the quantity of cannabis goods that will be carried by each delivery employee.
Please refer to our Delivery Operations Plan in Section 6.

7. Describe the process that a delivery employee goes through prior to leaving the retail premises to conduct deliveries of cannabis goods.
Please refer to our Delivery Operations Plan in Section 6.

8. Describe the process for tracking the location of delivery employees who are currently conducting deliveries.
Please refer to our Delivery Operations Plan in Section 6.

9. Describe the methods used to communicate with the delivery employees who are engaged in conducting deliveries.

Please refer to our Delivery Operations Plan in Section 6.

10. Describe the methods of route guidance used by delivery employees while conducting deliveries.

Please refer to our Delivery Operations Plan in Section 6.

11. Describe the policies for delivery employees taking breaks and making stops while conducting deliveries.

Please refer to our Delivery Operations Plan in Section 6.

12. Do delivery employees receive new orders while in the process of conducting deliveries? If so, describe that process.

Please refer to our Delivery Operations Plan in Section 6.

13. Describe the process of preparing the delivery request receipt.

Please refer to our Delivery Operations Plan in Section 6.

14. Describe the process each delivery employee goes through upon arriving at the delivery location and providing the cannabis goods to the customer.

Please refer to our Delivery Operations Plan in Section 6.

15. Describe the process that a delivery employee goes through upon returning to the retail premises after conducting deliveries.

Please refer to our Delivery Operations Plan in Section 6.

16. Describe the applicant's methods of auditing the activities of the delivery employees to ensure that cannabis goods do not go unaccounted for when the delivery employee returns to the retail premises.

Please refer to our Delivery Operations Plan in Section 6.

Applicant Signature



Date Signed
12-22-2019

REMEDY

FAIRFAX

SECTION 7 BUSINESS PLAN

BUSINESS PLAN

This plan has been specifically developed for the proposed facility in Fairfax named Remedy Fairfax, a cannabis dispensary owned and operated by Element 7. As Element 7 would manage and operate this facility, all references in this document to Element 7 shall be known as Remedy Fairfax.

This Business Plan encompasses five sections of information as required in the RFP Document issued by the Town of Fairfax, which include:

1. **Industry Experience**
2. **Financial Capacity to launch and sustain the business**
3. **Business design and layout**
4. **Innovative or boutique business models consistent with the Fairfax community**
5. **Additional information that demonstrates the ability to operate in a manner consistent with the values of the Town**

The Importance of Being Local

The very foundation of a close-knit community is the vibrant retail commerce shared among its residents, and Element 7 is committed to having a local footprint, contributing to the local economy, and hiring locally with those staff to become owners of the business through our LPEP program. Element 7 is heavily cognizant of these facts as it looks to do business in Fairfax.

That said, cannabis is a heavily regulated business, with compliance measures presenting challenges to many operators. At Element 7 we believe that a 'footprint' of operations provides our business with sufficient capital to maintain and manage a centralized compliance and regulations team that single-store operators just could not afford or manage, and third party providers do not currently provide at scale.

The challenge is balancing these regulatory and compliance requirements, which are demanding and excessive, with the need to be as 'local' as other businesses in the surrounding community. We believe we can largely achieve this through our ownership structure, our approach to hiring and retaining staff, our commitment to working with local partners, and our store-design which adapts itself to 'fit' with the surrounding community.

Element 7 believes it is the optimal operator for a medical cannabis dispensary in the Town of Fairfax because of the total package we bring which includes:

- Decades of **cannabis industry experience** across cultivation, manufacturing, distribution, and retail operations.
- **Robust retail experience** in adjacent service and product industries – both in

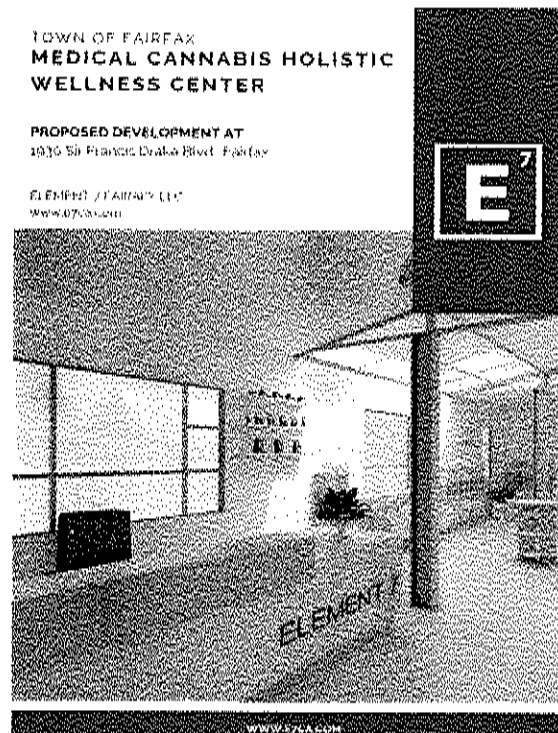
Marin County and in other parts of California and North America.

- A team that can deliver, which includes locals with **40+ years of living and working experience in Marin County and the Town of Fairfax** (including Matt Brown who is the former Mayor for nearby San Anselmo).
- A **deep understanding of cannabis policy, regulation, and compliance**, which includes a former US Army Lieutenant Colonel, Lynne Lyman who is the former Drug Policy Alliance Director for the State of California, a full-time Chief Compliance Officer, full-time CFO and Chief Legal Officers, and additional staff in licensing, regulation, and compliance management. This bench of legal, tax, and compliance officers is critical to building and operating a legal and licensed cannabis business.
- **Financial funding from a private equity bank** and backing from a family fund from Southern California.
- A **strong marketing concept**, in-store experience, education offer, and understanding of the consumer, which is delivered by Neil Demers (Cannabis Executive of the Year 2017), Nicholas Jack (Cannabis Dispensary Manager of the Year 2017), and Josh Black (Former Head of Marketing for Gatorade).
- **Two Medical Advisors** – Dr. Uma Dhanabalan and Dr. Effthimia Vasiliadis – both who speak regularly internationally and have deep experience in cannabis medicine, education, policy, safe patient access, and pharmaceutical processes.
- A **unique location in Fairfax** that provides for six (6) off-street parking spaces and is a stand-alone building with separate entrances for patients entering and exiting the premises, a small integrated learning center for new patients, and a lobby area that separates patient entry with the dispensing facility. This facility will be designed to 'fit' with the surrounding architecture of the Fairfax Town.
- A **Community Advisory Board** concept that would see community leaders from the Town of Fairfax advising Remedy Fairfax on where to direct funds annually for maximum community benefit – this Community Advisory Board is an independent group from Remedy Fairfax management.
- A commitment to hiring **80% local staff** and training them at 7X industry average rates before they start work.
- **Technology, data, and consumer insight advantaged platforms** – for example, we have an exclusive license in place with BRIGADE to access Weedmaps consumer search data which gives us a robust understanding of product management requirements, industry trends, and patient needs.
- An **In-Store Education** models that focus on educating patients with consistent messaging delivered through RFID packaging technology, and interactive content screens.

- **A business that walks the talk** – in 2019 we held job fairs with the EDD (Employment Development Department), hosted expungement clinics in Los Angeles, Long Beach, and Fresno, expunging the records of over 250 criminals wanting to get on with their lives, and made donations to food bank programs, religious groups, athletic teams, and a host of other charities.
- **A commitment to doing whatever we need** to do to build a successful and sustainable cannabis business in the Town of Fairfax that has a very local voice, footprint, business model, and is embraced by all aspects of the community.

Over the last 10 weeks, Element 7 has continuously engaged with, and consulted the Town of Fairfax, its community groups, and constituents, with regards to proposed operations at 1930 Sir Francis Drake Blvd. Over the last 4 weeks, many of these persons received a 10-page brochure outlining our development plans (as shown).

During that time, we have received over 35 letters of support, and 45 signatures from community members and residents that support our business and approach to serving the community of Fairfax. The support and encouragement has been overwhelming and we feel that we have the support we need from the community to make this operation a great success for Fairfax.



1. INDUSTRY EXPERIENCE

Introduction

Element 7 brings together a team of highly experienced individuals with a broad base of retail experience, both in traditional retail, and in cannabis retail which has its own set of unique nuances and challenges.

Element 7's model has been built by finding the best talent in the cannabis industry, supplementing that with proven retail talent and experience from traditional retail. Our architects, contractors, vendors and technology suppliers mostly come from traditional retail backgrounds, working with companies like Samsung, AT&T, Verizon, Starbucks, Coffee Bean and Tea Leaf, and Kohl's. These partners bring the understanding, discipline and models required to break 'traditional cannabis thinking' that we think often holds back the industry from developing professionally or at a pace required to meet changing and evolving consumer need-states.

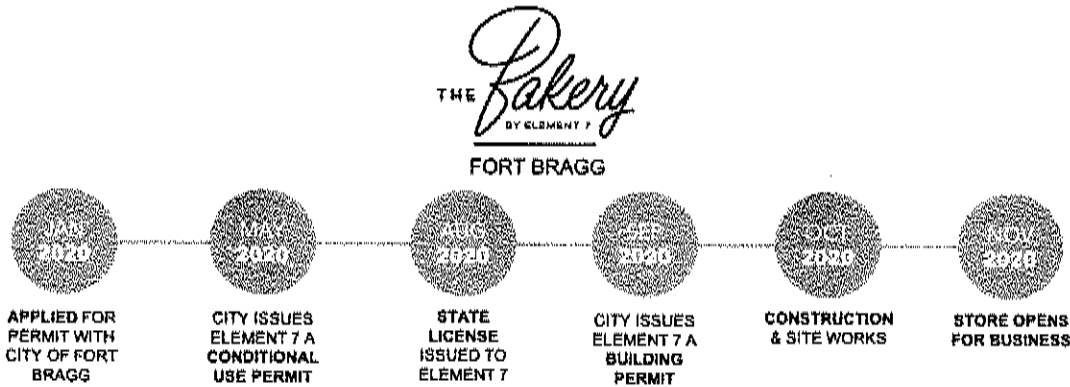
If awarded a retail permit in Fairfax, Element 7 will leverage the experience, skillsets, and extensive accomplishments of the Element 7 team to create and scale a cannabis business that maximizes revenue, jobs, and taxes for the City, while striving to be the most controlled, compliant, taxed, tested, and trusted cannabis operator in the City.

Element 7 has recruited a team of experts from various industries to gain added perspective and skillsets that can be applied to the Element 7 business and, when needed, brings in external consultants with the right knowledge to find solutions to complex problems in a constantly changing industry. Element 7's robust business model allows management to pivot when needed and adapt swiftly to changes in the market, technological advancements, and/or product developments while remaining at the forefront of the industry.

We constantly strive to not only do smarter business, but 'better business' in the communities we operate.

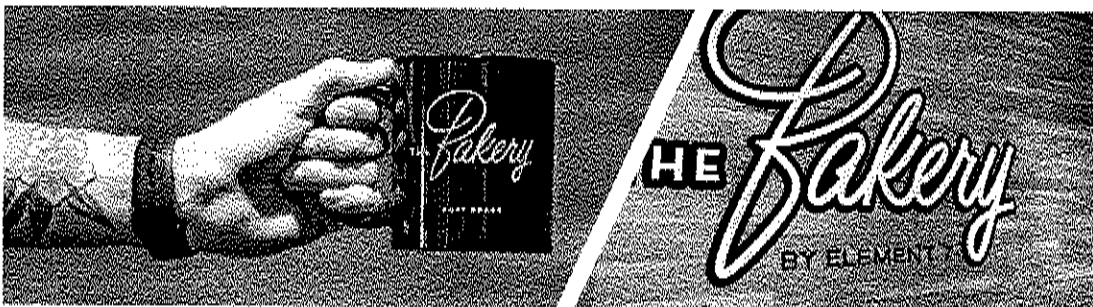
Existing Operations in California

Our 1st dispensary, **The Bakery by Element 7**, opened in Fort Bragg in November 2020. Element 7 initially applied for this permit in January 2020, was approved in May 2020, and commenced construction in September 2020, demonstrating our ability to win permits and become operational. The dispensary opened November 18, 2020.



Site works were completed on October 29 after 6 weeks of construction. 100% of the staff

hired for Element 7 Fort Bragg are local to the City which is something we are incredibly proud of. We are in the process of unionizing the store under the UFCW.




Our proposal for Fairfax is to leverage the market understanding of the Element 7 team and business to launch Remedy Fairfax which will be positioned as a very local cannabis dispensary with a holistic wellness tone and a uniquely Fairfax brand and voice.

Ownership and Executive Management Team



Element 7's Executive Team will support all local operations under an annual management contract. The Element 7 team brings a wealth of experience, management understanding, and operational expertise across the cannabis industry, other regulated industries, and cannabis retail.

The Executive Team, supported by its advisory board of industry experts, is well-equipped to navigate the legal processes in establishing and maintaining profitable and legal cannabis operations throughout the state. Specific employee's, described below, will serve as Element 7 Fairfax's day-to-day operational team, supported by staff that will be hired from the local community.





ROBERT DIVITO
FOUNDER AND CEO
ELEMENT 7

Robert DiVito is a cannabis entrepreneur, investor, and business operator. After a career in small business management and Charter School operations, advice from the former Mayor of Los Angeles saw DiVito head north to California's Central Valley with a plan to focus on cannabis economic development - localing cities and communities that needed education, jobs, and community development that could benefit from cannabis business development. Despite many communities having commercial cannabis bans in place and, in some cases, hostility towards the industry, DiVito travelled the Central Valley lobbying for education, change and growth through his 'Cannabis Campus Model' - a model that was later adopted into the Medical Cannabis Regulation and Safety Act (MAUCRSA) in June 2017. In September 2017, DiVito's profile in the industry rose sharply as he convinced big-ag to invest in cannabis, securing a \$51 Million commitment from one of the country's largest organic farming families to invest in cannabis cultivation. This was a landmark deal and marked big-ag's first serious investment into cannabis and will have a huge impact on the future development of the industry. In 2018, DiVito founded and launched Element 7, a retail dispensary business focused on creating change at the grass-roots level through education, social justice, 'localism' and change. Element 7 has operations in Santa Ana, Fort Bragg, and is set to open Westwood (Los Angeles), Rio Dell, Marina, and South San Francisco in Q1 2021. Element 7 is one of California's fastest growing cannabis companies.


NICOLAS POMMIER
CO-FOUNDER AND GENERAL MANAGER
ELEMENT 7 FAIRFAX

Nicolas Pommier (Co-Founder and General Manager) has been a resident and business owner in Marin County and San Anselmo for over 24 years. Along with his wife Stephanie and their two young boys, Nicolas has been instrumental in creating a community of health conscience residents. He opened the first of his three business, a martial arts studio located in the Redhill Shopping, in 1995. After 10 years of serving the families of San Anselmo, he passed on his businesses to his instructors, who have experienced continued success utilizing Nicolas's operational roadmaps and teaching methodologies. For the last 9 years, Nicolas has been the owner and operator of Ross Valley CrossFit. When he is not coaching classes, Nicolas can be found mountain biking Mt. Tam or at a local park with his family. Nicolas is passionate about seeing the Marin County community thrive and evolve.





MATT BROWN
CO-FOUNDER
ELEMENT 7 FAIRFAX

Matt Brown has been a lifelong resident of Marin County, a graduate of Drake High School, the owner and President of Meridian Commercial (a leading commercial real estate firm since 1986), a former Council Member and Mayor of San Anselmo, and a former Marin LAFCo Commissioner. He holds a BS in Finance from San Diego State University. Matt is a pillar of the local community, civically active, and strives to build great relationships in local communities across Marin and Sonoma Counties where his commercial real-estate business is most active.




Executive Head Office Team



NEIL DEMERS
RETAIL OPERATIONS DIRECTOR
ELEMENT 7

Neil was voted the industry's #1 Executive at the 2017 Cannabis Business Awards. He holds a Masters in Finance (University of Denver) and is the Founder and CEO of Diego Pellicer, the #1 cannabis dispensary in Colorado. Prior to launching Diego Pellicer, Neil spent almost a decade working in the cannabis industry, operating dispensaries and working behind the counter in others. He launched a successful staffing company, Canna-Staff, that now powers the companies staff recruitment across the industry, bringing in fresh talent that bring new perspectives and ideas to the Diego Pellicer brand. At Element 7, Neil works across the full retail operations plan, working to flawlessly implement best-practice systems and processes across all Element 7 retail stores in California.





NICHOLAS JACK
RETAIL EXPERIENCE DIRECTOR
 ELEMENT 7



Nicholas is the Chief Retail Officer of one of Colorado's leading dispensaries. Voted the industry's #1 Retail Manager in 2017, Nicholas has unmatched experience building, operating and scaling cannabis dispensaries. He holds a Bachelor of Science (Marketing) from Colorado's Metro State University and is transforming the cannabis retail industry. Before joining his current business, Nicholas was the Store Manager of the highly successful 'Ballpark Holistic' cannabis dispensary in Colorado. He is passionate about changing the industry and his voice in the Colorado market is being heard as he goes about changing the way customers think, feel and interact with cannabis dispensaries. Nicholas leads Element 7's in-store experience platforms and programs.



AMBER NORWOOD
CHIEF COMPLIANCE OFFICER
 ELEMENT 7



Amber joined the Element 7 team to head its compliance and regulatory affairs division in 2018 and has quickly proven to be one of the key executives in the company. In her current role, Amber oversees regulatory compliance, licensing and project management. Having won over 25 licenses for clients in California and submitting applications in over 8 US States, she specializes in writing and implementing Standard Operating Procedures across all aspects of the industry. Amber was born and raised in Pasadena and is active in the local community and cannabis industry - she is a member of NORML, Minorities in Cannabis Business Association and WomenGrow, a female focused industry group expanding female representation in the cannabis industry. Amber previously worked with the **Attorney General's Office** in Miami before joining the cannabis industry.



JOSH BLACK
CHIEF MARKETING OFFICER
 ELEMENT 7



Josh is a former Marketing Director with PepsiCo, managing Tropicana, Aquafina and Gatorade brand launches in over a dozen markets globally. He is the former CEO for WPP's (world's largest media and marketing services holding company) content and entertainment business - at WPP he worked with brands including Nike, Coca-Cola, P&G, Unilever, Nestle, Chanel, and Gucci. He is a published author, was named in the media industries '40 Under 40' in 2016 and manages Element 7's commercial, marketing, talent and training, and licensing functions. Black has written and won over 50 license applications in North America, is a co-founder of CT3 (world's first CBD beverage for traumatic brain injury), and Daily Hemp Co which is sold on Amazon. At Element 7, Black oversees marketing, licensing, and brand development.



COREY ENGLISH
CHIEF SECURITY OFFICER
 ELEMENT 7




Corey English (Chief Security Officer) is Element 7's strategic security lead and oversees all security measures and efforts for the Element 7 brand. His security guidance covers all risk management, threat suppression, and systems to guide the Element 7 business and team. He is the President of LEAPS (Law Enforcement and Private Security) and has over 2 decades of experience working for some of the world's largest companies managing their security and risk management systems.




LYNNE LYMAN
STRATEGIC ADVISOR, DRUG POLICY REFORM
 ELEMENT 7




Lynne Lyman was one of the central figures responsible for cannabis legalization in California, named in the Top 100 most influential people in cannabis nationwide, as well as in the Top 5 in Los Angeles. Having spent over five years as the California State Director for the **Drug Policy Alliance**, Lynne's vision, strategy and exceptional organizing skills helped propel the state to gain critical mass throughout 2016 resulting with 57% of Californians voting Yes on Proposition 64, the Adult Use of Marijuana Act, permanently changing the landscape for cannabis in the sixth largest economy in the world, while reducing or eliminating most cannabis crimes, including retroactively. Lynne's work at Drug Policy Alliance did not start or stop with cannabis. Among other major drug policy reforms secured in her 5 year tenure, Lynne led the successful 2014 effort to equalize the penalties for crack and powder cocaine under California law. Lynne continues her work to advance criminal justice reform and cannabis equity as a consultant in Los Angeles. Lynne has held positions with local, state and federal governments in California and Massachusetts, in addition to managing over a dozen political campaigns for candidates in California, Massachusetts, and Colorado. Ms. Lyman, who is fluent in Spanish, has worked on political campaigns in Central America and addressed the Mexican Congress on cannabis policy. Lynne received her M.P.A. from the Harvard Kennedy School of Government in 2001, where her graduate work focused on the criminal justice system and leadership. She earned her B.A. in Political Science from UC Berkeley in 1996.




SHEILA MERCHANT
HEAD OF LEGAL AFFAIRS
ELEMENT 7



Sheila received her law degree from Columbia University School of Law and has been a practicing attorney since 2012. Before studying law, she studied at the University of Michigan, graduating with an Honors degree in History and English. She served as an Associate Attorney for three years before setting up her legal practice and specializes in contract law, financing projects and M&A. At Element 7, Sheila oversees all legal contracts, commercial agreements, alliances, and partnerships. Sheila is also leading our efforts to continuously upgrade our data management, compliance and risk management efforts.



ELICIA TERRY
LICENSING DIRECTOR
ELEMENT 7, LLC



Elicia Terry (Licensing Director) is one of Element 7's key Licensing Directors and oversees the team's State Licensing needs, ensuring that Element 7 is exceeding State requirements where possible, and at the forefront of industry best-practices across product management, security, inventory, consumer safety, education, product handling, and environmental issues.

Special Experience

The Element 7 team brings a diverse set of skillsets to the local Fairfax business – a number of the team members have relevant professional qualifications and experience that collectively make Element 7 the optimal cannabis operator. The Element 7 team brings together a number of individuals with significant relevant professional qualifications, including:

- **Robert DiVito:** As the Founder and CEO of Element 7, DiVito has 6 years of experience in the cannabis industry and a Bachelor of Business (Management Studies) from De Paul University, Chicago.
- **Amber Norwood:** Norwood is a Board Member of NDICA (National Diversity and Inclusion Cannabis Alliance) and is a J.D. She previously worked for the US Attorney in Miami.
- **Josh Black:** Josh heads up Marketing and Operations for Element 7. He is the former Head of Marketing for Gatorade Asia Pacific and previously ran a large division of WPP (the world's largest media and marketing services company). At WPP, Black managed a team of 350 people across 16 markets with \$150 Million in annual billings and has worked for brands including PepsiCo, Coca-Cola, Nike, Nestle, Unilever, P&G, and Ford. Black was listed in the 2017 '40 Under 40' in Marketing and Media in Asia and is a published author.
- **Elicia Terry:** Terry heads up State Licensing for Element 7 and is an Attorney.
- **Christopher Bloom:** Bloom brings over a decade of experience in the heavily regulated liquor and telecommunications industries. Christopher is also a LEED Certified practitioner and holds a TIPS license.
- **Sheila Merchant:** Sheila Merchant is Element 7's Chief Legal Officer and received her law degree from the University of Columbia. She has been practicing since 2012.
- **Corey English:** English is Element 7's Chief Security Officer and has over 20 years of security and military service. He is the President of LEAPS Los Angeles (Law Enforcement and Private Security).
- **Lynne Lyman:** Lyman is Element 7's Strategic Advisor for Policy and Regulation. Lyman served as Governor Brown's Director for the Drug Policy Alliance and authored sections of Proposition 64 which governs the cannabis industry in California.
- **Larry Frogoso:** Larry, one of Element 7's key advisors brings nearly 4 decades of experience as a fire safety / prevention officer in Tracy.

- **Kevin Sullivan:** Sullivan is a security and data advisor to Element 7 and is a former Lieutenant Colonel in the US Army, serving as the Director of Aviation, Fort Shafter, Hawaii.
- **Tim Gordon:** Gordon is an advisor to Element 7 and serves as the President of the Colorado Hemp Industries Association and an advisor to the National Hemp Association.
- **Dr. Efthimia Vasiliadis (Pharm D.):** Dr. Vasiliadis holds a Doctorate Degree in Pharmacology (2002-2004), a Bachelor of Science in Pharmaceutical Studies (2000-2002), and a Bachelor of Science in Molecular Cell Biology, all from the prestigious University of Connecticut. She brings almost unmatched experience as a retail pharmacist and has worked for CVS Pharmacy Inc., for 17 years (2002 - 2019), and the Stop and Shop Pharmacy Group for two years (2019-2020).
- **Dr. YuFu Cheng:** Dr. Cheng is the China representative for former Governor Schwarzenegger's R20 Global Warming Committee. Cheng holds a Ph.D. in Ecology (Climate Change) from UC Davis.
- **Eric Greenberg:** Eric is Element 7's CFO and is a Certified Public Accountant (CPA), member of AICPA, and is an Adjunct Lecturer at De Paul University's Commerce Faculty in Chicago.
- **Scott Neiss:** Neiss is Element 7's in-house architect and holds a Degree in Architecture and Licensing in California and Arizona. He brings over 3 decades of architectural and design experience to the Element 7 team.
- **Taylor Munoz:** Taylor is Element 7's Head of Human Resources, Talent, and Training and holds Bachelor's Degree in Human Resources from Sonoma State University.

Strategic Advisors

Element 7's Strategic Advisors comprise some of the cannabis industries biggest names, leaders and experts. The Advisers meet four (4) times annually to review the Element 7 Fairfax business plan, operations, financial performance and specific benchmarks set for compliance, control, product quality, systems and processes and special initiatives.



BOB HOBAN
STRATEGIC ADVISOR, LEGAL
ELEMENT 7



Bob is the founder and CEO of Hoban Law Group, North America's #1 cannabis and hemp law group. Bob is recognized as one of the leading commercial cannabis practitioners and has litigated nearly every aspect of Colorado's Marijuana Code and a significant portion of California's. Bob has drafted cannabis policy for dozens of States and countries around the world and is a global expert in cannabis policy. Bob founded Gateway Proven Strategies (GPS) in 2019, an advisory firm that serves the global cannabis industry, and brings together some of the smartest minds in cannabis to drive policy, industry development, and market-entry.



KEVIN SULLIVAN
DATA SECURITY ADVISOR
ELEMENT 7, LLC



Kevin Sullivan (Data Security Advisor) is a proven and experienced business leader with over 30 years experience in data security, military systems, and government contracts. Kevin rose to the rank of Lieutenant Colonel in the US Army (Director of Aviation, US Army Pacific, Fort Shafter, Hawaii), spending 20 years serving his country. He is the Founder of Leading Points Corporation which provides data security, biosecurity, and enterprise solutions globally, and the CEO of International Hemp Solutions, one of North America's largest hemp companies.



DR. YUFU CHENG
STRATEGIC ADVISOR, ENVIRONMENT
ELEMENT 7



Dr. Yufu Cheng is a global cannabis medical advocate and the China representative for former Governor Schwarzenegger's R20 Global Warming Committee. Cheng leads Element 7's Task Force on environmental measures, reducing our carbon footprint and creating sustainable clean cannabis. Cheng holds a Ph.D. in Ecology (Climate Change) from UC Davis and works with some of North America and China's largest organizations to implement corporate policy.



TIM GORDON
SCIENCE & RESEARCH ADVISOR
ELEMENT 7



Tim Gordon became President at CBDRx and Functional Remedies in 2017 and is now serving as Chief Science Officer for the Company. Born and raised in Canada in a Cannabis farming community, Tim's love for sustainable cannabis farming is only eclipsed by his love for the cannabis plant. Tim oversees hemp operations and the Functional Remedies product division. Tim has developed an aggressive cannabis breeding program, an industry leading agricultural operation, and state of the art laboratory and production facility. Tim serves as a technical advisor on the board of the National Hemp Association and is also President of the Colorado Hemp Industries Association. Tim has written and researched the cannabis plant for nearly 20 years and has been highlighted in news programs and in magazines and periodicals. Functional Remedies is the world's leader in cannabinoid hemp production and CBD enhanced nutraceuticals, while leading the way in eco-sustainable hemp farming.



DR. EFTIMIA VASILJADIS, PHARM.D.
PHARMACEUTICAL PRACTICES ADVISOR
ELEMENT 7



Eftimia holds a Doctorate Degree in Pharmacology (2002-2004), a Bachelors of Science in Pharmaceutical Studies (2000-2002), and a Bachelors of Science in Molecular Cell Biology, all from the prestigious University of Connecticut. She brings almost unmatched experience as a retail pharmacist and has worked for CVS Pharmacy Inc., for 17 years (2002 - 2019), and the Stop and Shop Pharmacy Group for a year (2019). Her unique skillsets filling and processing prescriptions, operating under highly regulated State and Federal Laws, counseling patients, collaborating with physicians and insurance companies, managing inventory, and addressing workflow issues, are invaluable to Element 7 as we focus on being the most compliant, controlled, and regulated cannabis retail operator in California.



LARRY FROGOSO
FIRE SAFETY ADVISOR
ELEMENT 7, LLC



Larry Frogoso was born and raised in Tracy, CA. In 1974 he began his fire fighting career, working for the City for 23 years with the Tracy Rural Fire District. In 1999 he returned to the City of Tracy Fire Department as a Battalion Chief and retired as a Division Chief in May of 2005. He presently operates a small R.V. park in Oroville and joins the Element 7 team as a strategic advisor on all aspects of fire safety, processes, and site design with 29 years experience.



BRADLEY BERNARD
CONSULTANT: HVAC AND ODOR CONTROL
ELEMENT 7



Bradley Bernard has lived and worked in Martinez for the last 24 years, moving from nearby Tracy in 1994. For the last 2 years he has occupied the premises at 741 Green Street with his business, Freedom HVAC, growing and thriving in the community. Bradley is a father figure to many of the City's young and troubled teenagers and he has fostered and adopted children which he has raised alongside his 3 biological children. All of his children went to Los Juntas Elementary and Martinez Junior High School. During their time at the school, Kathi (Bradley's wife) and Bradley were both heavily involved in the school with Kathi rising to become President of High School PTA. Bradley provides valuable HVAC and Odor Management strategies to Element 7 and has partnered with the company to build operations in the East Bay.

Testimonials

Here are just some of the things our colleagues and respected peers in the industry say about us:

"Element 7 are the real partner for social justice and reform in an industry where many have taken advantage of minority communities. In the Los Angeles Social Equity Program, no other cannabis company came close to offering fair terms like the team at Element 7 offered equity candidates."

Bo Money, Founder and Director, NDICA

"Element 7 have been a strong supporter of UCLA and our Cannabis Research Initiative since it was formed in 2018. I not only value their support for advancing the cannabis industry and cause, but also their friendship, integrity, and trust."

Dr. Jeff Chen, Founder and Lead, UCLA Cannabis Research Initiative

"Element 7 are a true advocate for social justice and change in an industry that needs more honesty and diversity."

Scheril Murray-Powell, Cannabis Advocate, Activist, and Attorney

"Element 7 have been a great partner of Diverse Real Estate Solutions, a multi-billion dollar cannabis property and investment group. We value their hard work, commitment to doing things right, and ethics."

Charlie Copelan, Partner, Diverse Real Estate Solutions

"Element 7 are a company with a strong vision, focused on understanding the customer and building a long-term sustainable cannabis business in a nascent and emerging California industry."

Jonathan Jenkins, Co-Founder and Chief Operating Officer, Weedmaps

"Element 7 bring a level of professionalism and integrity to the cannabis industry. They are focused on doing things right and building a business that can stand the test of compliance and continued regulation."

Bob Hoban, Founder, Hoban Law Group

2. FINANCIAL CAPACITY TO LAUNCH AND SUSTAIN THE BUSINESS

Element 7 has all required financing to build, operate, and scale a medical cannabis business at 1930 Sir Francis Drake Blvd., Fairfax. The business will be branded as Remedy Fairfax and operated by both an Element 7 team handling back-office systems and procedures with a very local day to day management team.

Commencing Operations

Element 7 will take possession of the premises once the commercial cannabis permits and licenses have been issued. Element 7 has full control of the site and a Lease / Option to Purchase Agreement in place with Adham Nasser, the owner of the site.

Site works are estimated at \$300,000, which covers all minor building works, fit-out, tenant improvements, and equipment costs. All building works will be conducted in full compliance and accordance with the Fairfax Municipal Code and BCC Directives and Policy.

Element 7 believes that the site could be operational with 4 months of permits and licenses being issued as works are minor with no structural works and minimal external works needed.

Start-Up Funding

Element 7 has budgeted for capital works, starting inventory, and operating capital of up to **USD\$800,000 to start and launch Remedy in Fairfax**. This budget covers all construction costs, fit-out costs, external works, design and project management, security measures, POS Systems implementation, and branding required to open and operate the retail store through to positive cash flows. It also includes \$100,000 of starting inventory and \$300,000 of operating capital with a further \$100,000 of contingency funds.

A full-time Certified Public Accountant (CPA) sits within the Element 7 team to manage financials across the business anticipated by Element 7. In addition, a third-party auditor (Marcum Group) is engaged to audit the business twice annually to ensure all investor, city, state and federal measures are being correctly managed and accounted for.

We are confident, based on our existing footprint of cannabis dispensary operations, that our projections for fit-out, security compliance, and design works are accurate.

Three-Year Pro Forma

Element 7 has provided detailed financials for the first 3 years of operations, which are added below and also included at the back of this section of the application.

These financials are built on assumptions based on population, existing purchasing habits, expected market share, and a range of other costs built into our financial models.

PROJECTED INCOME STATEMENT						CONTRIBUTION MARGIN										
Sales						Sales										
Flower	\$	727,253	\$	814,528	\$	1,080,747	\$	1,274,081	\$	1,244,004	24%	26%	28%	29%	28%	
Gifts/Access	\$	377,402	\$	734,222	\$	822,248	\$	925,269	\$	1,007,467	27%	28%	28%	28%	28%	25%
Books	\$	245,882	\$	276,522	\$	325,494	\$	399,421	\$	460,123	7%	7%	7%	8%	8%	8%
Accessories	\$	261,263	\$	277,642	\$	325,617	\$	387,230	\$	447,280	2%	2%	2%	2%	2%	2%
Delivery Revenues	\$	1,610,800	\$	1,703,414	\$	2,554,106	\$	3,073,991	\$	3,201,254	14%	16%	18%	19%	19%	16%
Flower	\$	481,272	\$	612,273	\$	750,235	\$	898,427	\$	1,074,476	19%	20%	20%	20%	20%	15%
Gifts/Access	\$	325,206	\$	649,692	\$	800,241	\$	916,741	\$	1,019,781	21%	21%	21%	21%	21%	19%
Books	\$	126,822	\$	126,822	\$	146,234	\$	174,004	\$	204,227	7%	7%	7%	8%	8%	8%
Accessories	\$	40,102	\$	70,233	\$	99,907	\$	112,859	\$	124,897	2%	2%	2%	2%	2%	2%
Delivery Revenues	\$	960,302	\$	1,059,020	\$	1,596,583	\$	1,998,031	\$	2,403,371	4%	4%	4%	4%	4%	4%
Net Non-Advertising / Listing / Promotional Revenues	\$	379,000	\$	720,000	\$	810,000	\$	875,000	\$	958,320	5%	5%	5%	5%	5%	5%
UNADJ. SALES	\$	2,467,750	\$	2,807,036	\$	3,987,436	\$	4,947,971	\$	5,569,154	100%	100%	100%	100%	100%	100%
Cost of Goods Sold (COGS)						Cost of Goods Sold (COGS)										
Flower	\$	342,274	\$	429,286	\$	524,274	\$	642,922	\$	748,004	13%	15%	15%	15%	15%	11%
Gifts/Access	\$	262,291	\$	517,511	\$	577,222	\$	650,046	\$	748,687	10%	10%	10%	10%	10%	6%
Books	\$	132,881	\$	142,822	\$	177,046	\$	196,224	\$	222,256	5%	5%	5%	5%	5%	5%
Accessories	\$	45,268	\$	51,404	\$	60,172	\$	70,818	\$	78,540	3%	3%	3%	3%	3%	3%
Delivery Costs	\$	90,512	\$	114,216	\$	130,542	\$	154,618	\$	177,120	3%	3%	3%	3%	3%	3%
UNADJ. COGS	\$	671,226	\$	1,254,239	\$	1,392,136	\$	1,614,628	\$	1,872,607	27%	28%	28%	28%	28%	21%
Flower	\$	245,423	\$	309,429	\$	352,973	\$	388,372	\$	428,470	7%	7%	7%	7%	7%	6%
Gifts/Access	\$	149,218	\$	274,211	\$	287,276	\$	287,407	\$	249,718	6%	6%	6%	6%	6%	5%
Books	\$	76,482	\$	98,507	\$	102,264	\$	141,204	\$	174,254	3%	3%	3%	3%	3%	3%
Accessories	\$	33,277	\$	50,272	\$	66,999	\$	76,132	\$	87,540	1%	1%	1%	1%	1%	1%
Delivery Costs	\$	169,534	\$	185,440	\$	215,124	\$	241,112	\$	270,254	7%	7%	7%	7%	7%	6%
UNADJ. COGS	\$	374,624	\$	534,859	\$	608,432	\$	673,618	\$	736,236	15%	15%	15%	15%	15%	11%
Net of Goods Sold	\$	1,796,524	\$	2,552,797	\$	3,595,304	\$	4,333,353	\$	4,696,547	73%	72%	72%	71%	71%	69%
Operating Expenses (OpEx)						Operating Expenses (OpEx)										
Marketing / Promotions	\$	100,000	\$	117,500	\$	144,911	\$	174,938	\$	204,200	5%	5%	5%	5%	5%	5%
Rent	\$	18,200	\$	17,900	\$	17,212	\$	16,607	\$	15,542	1%	1%	1%	1%	1%	1%
Property Tax	\$	13,200	\$	13,000	\$	12,500	\$	12,121	\$	11,204	1%	1%	1%	1%	1%	1%
Property Insurance	\$	1,800	\$	1,800	\$	1,800	\$	1,800	\$	1,800	0%	0%	0%	0%	0%	0%
Utilities	\$	14,400	\$	14,400	\$	14,400	\$	14,400	\$	14,400	1%	1%	1%	1%	1%	1%
Printing	\$	20,400	\$	21,400	\$	21,400	\$	21,400	\$	21,400	1%	1%	1%	1%	1%	1%
Phone & Data / Phone / Cellular / Software	\$	16,500	\$	17,000	\$	17,000	\$	17,000	\$	17,000	1%	1%	1%	1%	1%	1%
Travel/Conferences	\$	24,341	\$	20,812	\$	17,142	\$	14,222	\$	12,500	1%	1%	1%	1%	1%	1%
Accounting	\$	9,000	\$	9,000	\$	9,000	\$	9,000	\$	9,000	0%	0%	0%	0%	0%	0%
Legal & Consulting	\$	12,000	\$	13,000	\$	13,200	\$	13,492	\$	14,500	1%	1%	1%	1%	1%	1%
Insurance & Licenses	\$	6,000	\$	6,000	\$	6,000	\$	6,000	\$	6,000	0%	0%	0%	0%	0%	0%
Sign Development / Printing & Branding	\$	10,000	\$	10,000	\$	10,000	\$	10,000	\$	10,000	0%	0%	0%	0%	0%	0%
Employee	\$	180,000	\$	180,000	\$	180,000	\$	180,000	\$	180,000	7%	7%	7%	7%	7%	7%
Marketing Costs	\$	80,000	\$	80,000	\$	80,000	\$	80,000	\$	80,000	4%	4%	4%	4%	4%	4%
Depreciation	\$	17,807	\$	17,807	\$	17,807	\$	17,807	\$	17,807	1%	1%	1%	1%	1%	1%
Office Supplies	\$	3,000	\$	3,100	\$	3,200	\$	3,273	\$	3,247	0%	0%	0%	0%	0%	0%
Delivery Payroll - Business	\$	60,125	\$	70,976	\$	76,800	\$	80,015	\$	84,216	2%	2%	2%	2%	2%	2%
Delivery Payroll - Retail	\$	62,100	\$	71,516	\$	74,800	\$	77,213	\$	78,021	2%	2%	2%	2%	2%	2%
Employee Payroll - Staff (Support)	\$	54,800	\$	60,200	\$	63,200	\$	67,200	\$	70,000	2%	2%	2%	2%	2%	2%
Employee Payroll - Volunteers & Consultants	\$	80,100	\$	100,000	\$	110,000	\$	120,000	\$	130,000	3%	3%	3%	3%	3%	3%
Management Fees	\$	17,600	\$	18,400	\$	18,600	\$	18,710	\$	18,811	0%	0%	0%	0%	0%	0%
Payroll Tax	\$	11,211	\$	12,584	\$	13,600	\$	14,600	\$	15,270	0%	0%	0%	0%	0%	0%
Local Contrib Tax	\$	110,000	\$	110,000	\$	110,000	\$	110,000	\$	110,000	4%	4%	4%	4%	4%	4%
Operating Expenses	\$	1,410,390	\$	1,460,641	\$	1,481,108	\$	1,471,534	\$	1,475,412	78%	77%	77%	76%	76%	76%
EBITDA						EBITDA										
EBITDA	\$	1,125,134	\$	1,302,558	\$	2,203,196	\$	2,718,825	\$	2,823,947	63%	63%	63%	63%	63%	63%
Interest						Interest										
Interest	\$	10,000	\$	10,000	\$	10,000	\$	10,000	\$	10,000	1%	1%	1%	1%	1%	1%
Net Income	\$	1,115,134	\$	1,292,558	\$	2,193,196	\$	2,708,825	\$	2,813,947	62%	62%	62%	62%	62%	62%

Ongoing Operations

Quickbooks is used for all accounting and will integrate with our retail POS Systems (FlowHub). Ongoing operations will be funded by business-generated cash flow, which is conservatively expected to be around \$70,000 per month pre-tax in Year 2+ of operations. Apart from the CPA employed by Element 7, we also have a strong executive team with significant business experience across all facets of financial management, P&L control, debt and equity structures, and cost management.

Financial Summary

As demonstrated in our full attached financials, our estimate for net income in Year 1 is a small net operating loss - primarily driven by the fact that operations are projected to start in late Q1 and scale up with a heavy spend on marketing, customer acquisition, and staff training. We believe that Year 2 will deliver a \$627K EBITDA with a \$938K EBITDA the following year, primarily driven by the vertically integrated business model, which allows us to drive a higher margin on flower and concentrate products, which represent 70% of the market (these will

be cultivated and manufactured in other locations in California under Element 7).

Looking at the topline revenue numbers though, we expect to hit sales of \$4.5M in Year 2 of the business and \$5.4M the year after – the average licensed dispensary in California currently delivers sales of approximately \$3.8M annually (based on total reported revenue divided by the number of licensed dispensaries in the State). We believe that these financial projections are realistically conservative.

Proof of Funds

Element 7 has attached a copy of its Proof of Funds Document demonstrating ready access of over \$20.0M capital for the purchase of real estate, improvements and operations of the proposed Dispensary. As stated in our application, capital requirements for Fairfax are \$1.0M.

3. BUSINESS DESIGN AND LAYOUT

Building, operating, and scaling a business becomes much easier with the right team in place. It is easier still when that team has a clear and coordinated execution plan. In the nascent cannabis industry, success is similarly the result of the right people, agile planning, and disciplined focused execution. If anything, the execution plan must be especially agile, and execution must be especially disciplined in the industry's constantly changing regulatory environment.

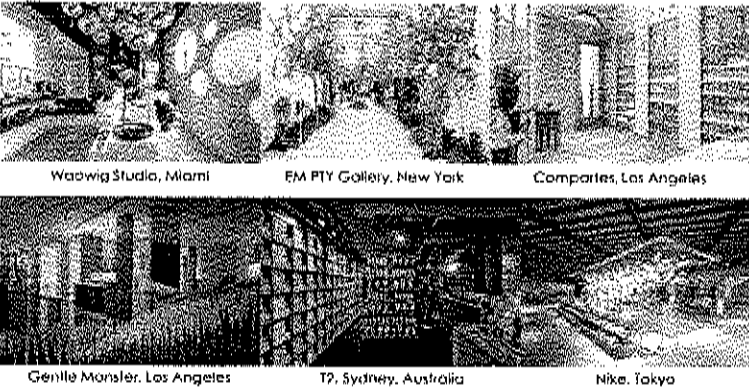
Success is also about knowing your customer and having a clear, consistent, and collaborative plan in place to win with that customer. Customer engagement in the twenty-first century is the result of an attractive retail environment and an unparalleled brand experience. We will first create and then nurture each of these.

Yesterday's windowless and neon-lit cannabis dispensaries are giving way to warm and welcoming retail spaces that foster a deep sense of customer comfort. Our retail space design is taking note of innovative brands in the cannabis industry, but also of brands with long track records of elevating customer experience in highly competitive verticals including fashion, health and wellness, home indulgence, and electronics (e.g., Nike, Apple, Gentle Monster, Lush, T2, Ullah Johnson, and Warby Parker).

Today's most successful brands are those that place intense focus on creating inviting and entertaining retail environments where products are perfectly integrated with their surroundings. These environments are places for customers to purchase goods, but more than this they are destinations in themselves.

This is what is needed to counter the existential threat posed by online shopping. The sea change in retail markets has forced designers and brands to innovate—to think in entirely new ways about how customers engage with their products and their brands.

Remedy Fairfax will, like today's most forward-thinking brands, incorporate cutting-edge, customer-centric design standards and continuously innovate, looking for ways to improve its retail model as new customer trends emerge.



Site Selection

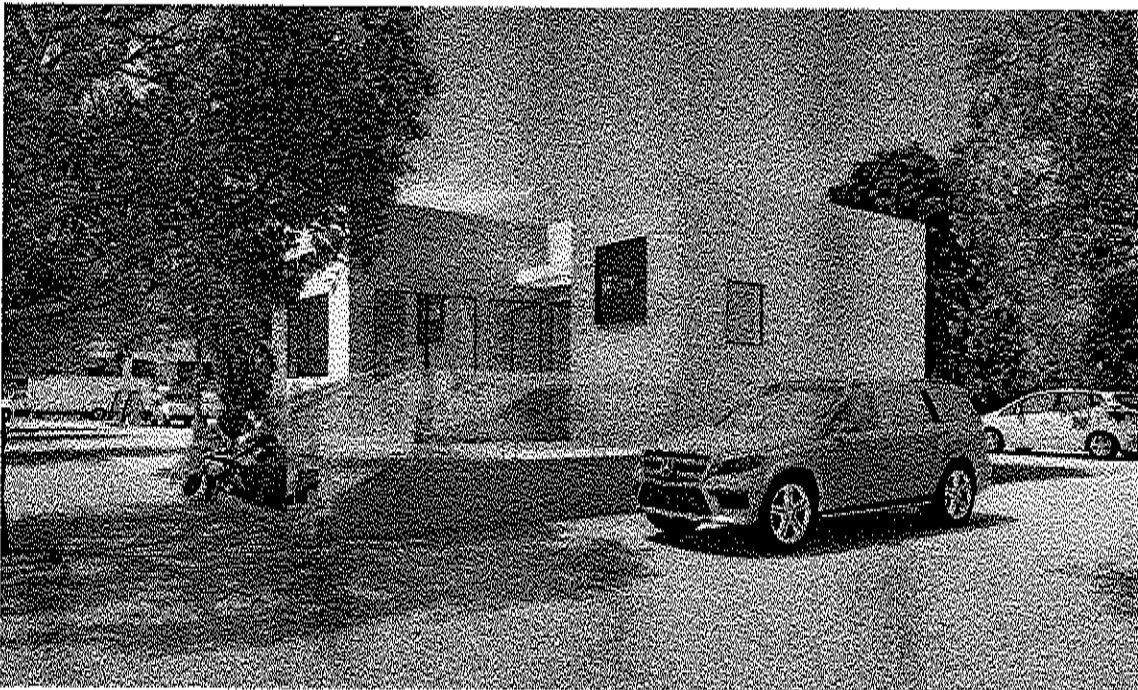
The key selection criteria for the physical location of our business and premises is site- compliance, neighborhood compatibility, security and customer safety, parking, zoning restrictions, site suitability, and how the site fits with our holistic wellness and sustainable business vision.

Our business objectives are to create a medical cannabis business in the Town of Fairfax that maximizes taxes, job creation, and sustainable economic development, while exceeding the needs of our patients and customers and continuously demonstrating to our partners and communities that Remedy Fairfax is a business with purpose and vision.

Design Concept

Few things trigger emotions within us like architecture can. Architecture is the art that provides us with the physical environment that we live and thrive in. Architectural design is an expression of human emotions, representing a visual art that evokes feelings and responses that few other things around us can.

There's nothing more important than architectural design when it comes to bringing the Remedy Fairfax concept to life. The design of the space, both internally and externally, will deeply influence how people relate to the Remedy Fairfax brand, both emotionally and functionally, and how we as a brand relate to the people we are trying to communicate with and do business with.



Exterior Design Concept

Our exterior design concept is designed to be eco-modern, sustainable, low-maintenance, friendly, warm, and welcoming. Our use of glass and live plants creates the sense of an urban holistic wellness facility, while our attention to detail

communicates to our audience that we are focused on every aspect of their wellness and health.

It's important that this concept fits with the nature of the historical and 'casual conservative' downtown vibe that Fairfax has.

Element 7 would preserve the historical features of the façade of the building, adding signage and minimal features, as approved by the Town in line with Planning Code and Building Policy.

We take our inspiration from many sources, including some of North America's most forward thinking brands and retail operators. Beyond that, we also have looked internationally to understand how the global changing retail landscape, will continue to impact and influence how consumers shop and purchase products.

For instance, we take inspiration from how European retailers have created timeless style, and how Asian retailers integrate technology and sustainable building materials into their retail outlets.

Our two leading design partners originate from Australia and the Philippines, and have both built successful design, engineering and architectural firms in California - we are constantly challenging them to find better ways to maximize space and improve our customer experience.

The site at 1930 Sir Francis Drake Blvd., is a modern shaped building with rear parking for six (6) cars and an ADA-compliant front ramp. Both parts of the property would be upgraded and improved as part of the site works. The fence at the rear and sides of the property would also be improved and replaced.

In terms of neighbourhood compatibility, the property sits within the cannabis zone proposed by the Town of Fairfax in a retail / mixed use developed zone. To the west is the Rino Service Station and to the east sits Perry's Delicatessen. In front of the premises is off-street parking. The rear of the premises has a high wooden fence.



IMAGE 1: VIEW ALONG SIR FRANCIS DRAKE BLVD TOWARDS RINO SERVICE STATION

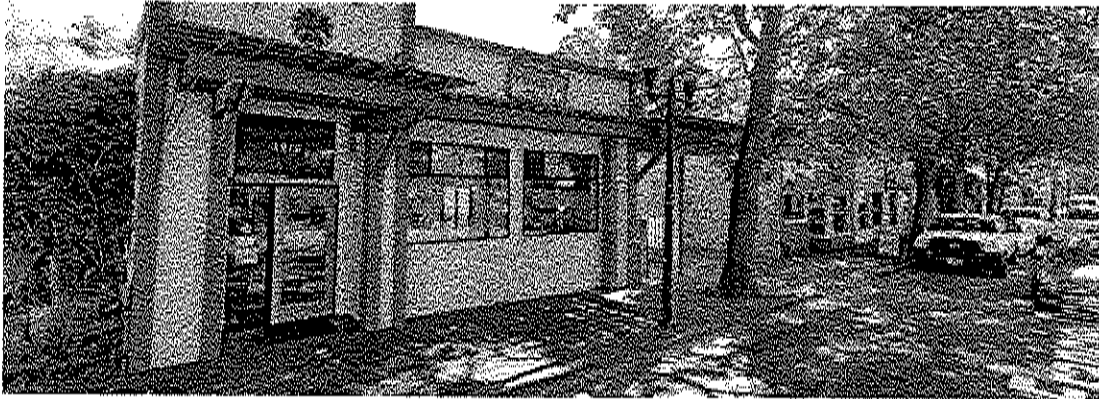


IMAGE 2: VIEW ALONG SIR FRANCIS DRAKE BLVD TOWARDS PERRY'S DELICATESSAN

Optimal Site Location

Element 7 believes it has found possibly the most optimal site in the Town of Fairfax for a commercial cannabis business, because:

1. We have zero sensitive uses within sensitive use buffers (600 feet).
2. The site is a strong fit with the surrounding businesses and land uses and is developed in such a way as to not be overtly advertised or promoted as being a cannabis establishment in anyway.
3. The site is in a core retail area with the front door elevated 4 feet off the ground which reduces any chances of children walking past from being able to look directly into the premises.
4. The granting of such permit will not be detrimental to the public health or welfare or injurious to the property or improvements in such zone or vicinity.
5. The streets and highway nearby are adequate in width and pavement type for the traffic generated.
6. The granting of such use permit will not adversely affect the comprehensive General Plan.
7. The operation of the business will not create excessive demands for police or other public services and is located within close reach of both Police and Fire services.
8. The business will benefit of the Town of Fairfax through job creation, economic development and taxes.
9. The site has off-street parking for 6 vehicles including 1 ADA-Compliant parking space.
10. The design of the building allows Remedy Fairfax to have a small lobby area for patient entry, and a separate exit door after patients have

finished with their purchases.

11. At 850 square feet, the building is of a sufficient size for the contemplated operation, while still allowing for all City and State security measures, inventory management requirements, and building compliance needs.

Proposed Building and Site Modifications

If approved for a Cannabis License, our proposal to Town Planning would be to update the building façade in line with the surrounding architecture in Fairfax, and as proposed in the attached designs. The following proposed external works and modifications would be applied for with Town Planning:

1. Replace all exterior doors and windows with industrial strength installations with upgraded locks, frosted glass for aesthetics and security. Glass would be 'Clear Secure' – an unbreakable and shatter-proof glass that is 300 times (300X) stronger than regular glass. Glass is 2mm thick manufactured from high-density polymers. Glass would be 75% tinted with a white laminate.
2. Removal of the existing building signage with replacement of an 'Remedy Fairfax' sign (as approved under the Municipal Code).
3. Upgrade external lighting with modern fixtures that have continuous illumination for safety and security.
4. Replace and improve side and rear fences and upgrade landscaping.
5. Repainting of the building and exterior paneling in line with proposed designs.
6. ADA access ramp.

The new entrance would feel modern, welcoming, and light which is in line with the overall design concept of the store and Remedy Fairfax brand.

Security Features

Apart from the measures mentioned above (industrial strength locks, shatter-proof glass windows, and upgrades to exterior lighting), Element 7 has proposed the following security initiatives which are covered in greater detail within the Security Plan:

1. Installation of discreet 180 degree cameras at all points of the building (internal and external).
2. Upgrades to fences at the rear and sides of the property – architectural security fences.
3. Reconfiguration of the Floor Plan to have a separate entry door leading into a small contained lobby for ID Checks, with a separate exit door

leading out of the premises after purchases have been completed.

4. Removal of the rear door at the premises as this is not required for either fire safety, or ingress / egress.
5. Processes to ensure that deliveries only occur outside scheduled opening times with products to be moved into the dispensary under guard supervision.

Interior Design Concept

Element 7's vision is to visually create a retail facility that is welcoming, without being overbearing. From the moment customers enter the lobby of Remedy Fairfax and sign into our dispensary with an interactive wall-mounted iPad, through to when they leave, they will be catered to with personalized service and surrounded with moments that inspire and celebrate holistic wellness.

The lobby has been incorporated for two reasons – it provides a physical separation of the premises from the streetscape to the dispensary operations, and, it allows us to sign-in patients to the facility in a secure room before they enter the dispensary. Patients would enter through one door and exit through another.

The lobby would have hardwood floors with a decorative rug, a stone reception desk, and 4 chairs for patients to wait in until the dispensary is ready for their order to be placed and filled. Natural light fills the waiting lobby and patients are offered refreshments and reading materials while they wait to be served.

Impactful interior design is critical to creating a lasting Remedy Fairfax impression with customers. Our preferred materials are hardwoods, greens and whites for a clean safe feeling, lighting with dimmable LED and light efficient fixtures, and design pieces that create impact.

To demonstrate our commitment to horticulture and plant-based medicines, our design vision is to create a feeling that customers have walked into a green living room, with plants spread throughout the facility. This design will create a lasting impression with customers and set Remedy Fairfax apart from other dispensaries in California.

HVAC systems would warm and heat the premises during summer and winter months with music curated within the store to promote a sense of warmth and welcoming environment. Staff within the premises would be dressed in casual attire with no specific uniform, save for a branded apron to designate staff members.

Within the Dispensary, the **E7 Learning Zone** is a welcoming space where new-users and consumers can learn about the benefits of cannabis without being judged for their education level in the cannabis industry. With many new customers entering the industry, from soccer moms to young professionals, urban housewives and recent retirees, the 'stoner' days are over and these new consumers are hungry for information, education, and new ways to treat pain

and a range of other health conditions.

From a product merchandising point of view, Remedy Fairfax will have an open layout, with products showcased on two walls of the dispensary. For customers that wish to learn more about cannabis and its benefits and uses, we will have Master BudTenders on hand to conduct personal learning sessions in the dispensary.

Design Team

The Design Team behind Remedy Fairfax concept have significant experience in the restaurant, entertainment and media industries. Led by Adam Picker, the CEO and Founder of **Morpheus Design**, an award-winning Los Angeles based firm that offers full design, architectural and construction services. Morpheus has been operating in California for over 20 years.

What sets Morpheus Design apart from other firms is their approach which sees them deliver and manage the project from concept to completion. Specializing in custom design and build on the westside of Los Angeles, Morpheus has significant experience in residential projects, commercial retail and dining establishments. Its service includes interior design and full project management including all approvals, technical and architectural drawings, planning management and full site works.

In addition, we work closely with CAL Plan Design, and Ramon Baguio, the firm's founder. Ramon has a group of highly talented architects, State-Licensed engineers, interior and exterior designers, spatial consultants, and project managers on his team that have designed over 120 Dispensaries in North America in the last four years.

4. INNOVATIVE AND BOUTIQUE BUSINESS MODEL

Our business would meet a growing demand from medical cannabis patients in Marin County (and beyond). With over 261,000 residents living in Marin County, our estimate is that there are almost 40,000 cannabis consumers living in the County (15% of the population base). With an estimated 10% of these consumers holding a medical card, we have a base of 4,000 medical cannabis patients in the County.

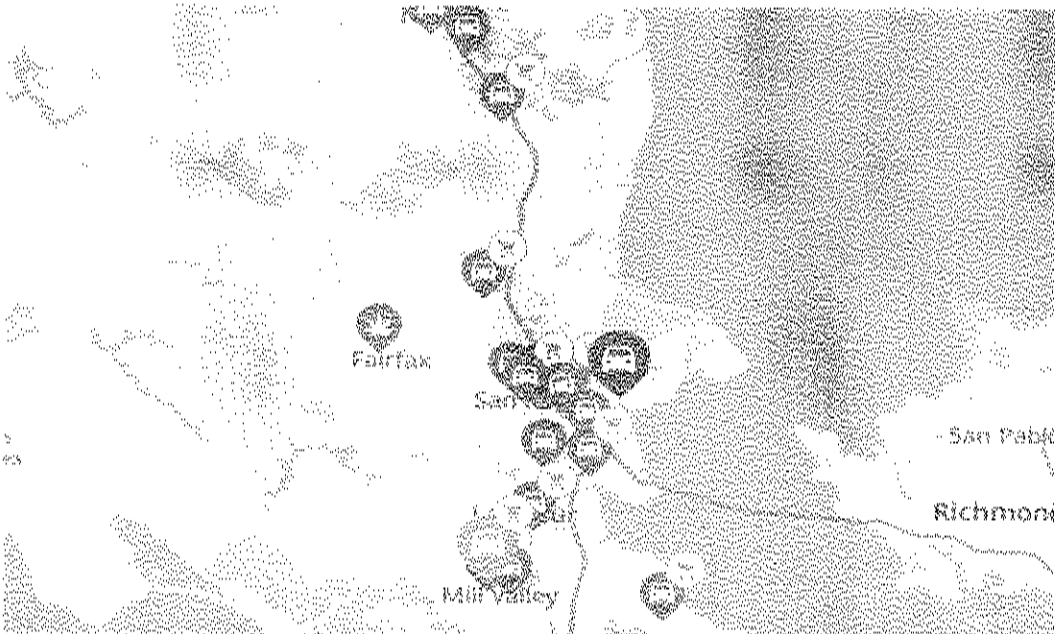
Element 7 believes that many of these patients are currently using a range of licensed (San Rafael) and unlicensed delivery services as licensed retail stores in the County are limited to the one cannabis medical retailer in Fairfax. Others are traveling to Napa, Santa Rosa, and San Francisco to purchase their cannabis.

Our business plan focuses on capturing 15% of the medical cannabis market (600 patients) with adult-use delivery services capturing a further 50-100 consumers a day. With continued enforcement against non-compliant operators, we expect to see these numbers increase as the business builds and scales.

Cannabis in Fairfax and Marin County

In 2016, Prop 64 was approved by 57% of the State's Voters, with nearly 70% (69.6%) of Marin County voters in support of the Adult Use of Marijuana Act (AUMA). While cannabis consumption is legal, fewer than a quarter of the municipalities in California have legalized cannabis business, effectively promoting an illegal and non-compliant "black market" that is out of control.

In Marin County alone, there are dozens of these businesses operating, mostly delivering non-compliant cannabis products into the homes of residents across the County – products grown at illegal cultivation sites and manufactured in clandestine manufacturing operations across the State.



In Marin, Tiburon, Ross, Mill Valley and San Anselmo have approved prohibitions against recreational marijuana business activity which includes a ban on brick-and-mortar cannabis dispensaries. Larkspur, Corte Madera, San Rafael and Novato have enacted temporary moratoriums on the cannabis industry, buying time to develop permanent ordinances (San Rafael have licensed 4 delivery services). Recreational cannabis sales have also been prohibited in unincorporated Marin.



While this continues to remain the case, our view is that patients and customers will continue to trade in the illegal market as there is clear support for cannabis and residents generally have the income levels to support their needs for cannabis. Traveling out of the County is an option, while visiting Marin Alliance for Medicine is also an option. Many have and will do this, but many others are supporting these illegal businesses as they have no other choice or are generally confused as to who is legal and who isn't.

Fairfax's Marin Alliance for Medical Marijuana has been a pioneer in building a legal compliant industry and we absolutely see ourselves as being a collaborator with this group on matters of policy, regulation, compliance, and change in the industry.

Our Customer

Our research has pointed us towards two groups (primary and secondary) that together will comprise our core target audience. We will focus the majority of our advertising, marketing, and product efforts on targeting these groups and on showing that our brand is a locus for the aspirational holistic wellness lifestyle that both groups are seeking.

Rather than trying to be everything to everyone, our clear targeted positioning will allow us to continue to build a brand that clearly stands for something that resonates powerfully with our core customer base.

PRIMARY AUDIENCE	SECONDARY AUDIENCE
WELLNESS ADVOCATES Everyday Wellness Lifestyle "Looks for Better Choices"	CONSERVATIVE EXPERIMENTERS Alternative Natural Choices "Cannabis Now Accepted"
	

Remedy Fairfax will have two clearly defined audiences that we will market the dispensary business to, each with its own desires, needs, and level of sophistication:

1. **Wellness Advocates:** Wellness advocates are constantly seeking the next decision that will improve their life. They are looking for new ways to stay fit and be healthy, they like to eat natural foods, and they are mindful of their spiritual and mental wellbeing. Winning with this target audience sets up Remedy Fairfax to be a dominant player in the market, in part because a broader focus on wellness extends well beyond wellness advocates. A healthy and balanced lifestyle is appealing across a wide range of customer segments.

2. **Conservative Experimenters:** Conservative experimenters are one of the fastest-growing cannabis industry segments. Cannabis is now acceptable to these customers as a health and wellness treatment, so they are cautiously approaching dispensaries with a willingness to explore and experiment. This group aspires to wellness advocacy—one more reason winning with wellness advocates is so important for Remedy Fairfax. There are two sub-sets of conservative experimenters:
 - (a) **Price-Focused Conservative Experimenters:** These customers want their product delivered quickly, efficiently and reliably. Remedy Fairfax's advantage is our vertical integration which gives us a significant price advantage over other businesses. Coupled with the overall Remedy Fairfax experience and brand partnerships, we are confident that we will be a highly differentiated and therefore extremely strong competitor.

 - (b) **Quality-Focused Conservative Experimenters:** Quality-focused conservative experimenters are looking for premium genetics, brands, and products that functionally and emotionally meet a range of need- states that other products of lesser quality don't or can't meet. Our partnerships and relationships in the market will provide us with direct access to a range of high-quality, limited edition and exclusive drops that will differentiate us from other dispensaries operating in the Town of Fairfax.

Convenience is critical if we are to deliver a great customer experience in the cannabis retail market for both target audiences. Our targeted customers may want to linger and thoroughly enjoy the brand experience, but it is just as likely that they want to park their car, enter the store, make their purchases quickly, and then leave. We expect to receive up to 150 customers at our retail shop each day (averaged at 15 - 20 customers an hour).

The site will have on-site parking, including dedicated ADA Parking Spaces for customers with mobility issues. With the average customer spending 4-5 minutes within the store, we believe that we have adequate parking on-site. We believe that the site will have minimal traffic impact on the community and surrounding businesses.

An adult-use delivery business will serve a very similar audience – heavy on wellness advocates, conservative experimenters, and baby boomers.

Brand Positioning: Education, Engagement, and Localization

Remedy Fairfax's positioning, **Affordable Holistic Wellness**, presents a unique ownership model for the Town that will allow the community, and constituents to have an active ownership interest in the business – 3% of the equity in the business will be issued to the local staff in addition to the percentage owned by local management.

Our ownership and business operations model enables the business to be operated by an experienced California-focused cannabis operator, who understands the compliance and control policies and procedures needed to operate a cannabis business to the highest standards of the industry. Top priorities include reducing costs, avoiding counterintuitive processes, and providing sustainable operations, while supporting the unique goals, character, and values of the Town and ensuring that these are continually integrated into Remedy Fairfax's local business operations.

Element 7 will certify that operations meet all obligations to the Town in regard to development timelines, compliance regulations, and community expectations, and bring a wealth of knowledge, experience, and commitment to the success of the facility to ensure that processes are flawlessly implemented.

Day to day management and business operations would be managed by Nicolas Pommier serving as the General Manager. This team will be responsible for implementing all standard operating procedures, customer service initiatives, marketing plans, and inventory and sales management and compliance measures that meet Town and State directives.

A Board of Advisors supports all aspects of the business with a particular focus on creating policies, directives, and initiatives for Element so that these programs can be implemented across all Element 7 retail outlets, including Fairfax. As a recent BDC study shows, "annual sales at businesses that have robust and experienced advisory boards were 24% higher than those at companies without one, and productivity was 18% higher," and this informal body of outside experts enables Element 7 to leverage community outreach in critical and effective ways (BDC is Business Development Bank of Canada).

Local Ownership Model

We appreciate and understand that counties, cities, and towns across California are seeking robust local ownership representation as cannabis operations expand into their jurisdiction. Our business model presents a unique hybrid model that we believe is unique to Element 7 – the local community will benefit from the professionalism, scale, and market understanding of an experienced operations team, while participating in the operations through the equity issued locally.

Our local ownership model means that the initial local partners will have equity in the business, but over time, an additional 8-11 staff will also have some form of ownership through a stock option program.

Ensuring that the local values are reflected in the local business is our number one priority. A variety of initiatives that emphasize this model will be integrated into our day-to-day operations, including:

- Appointment of a **Dedicated 'Community Manager'** from the local community who has direct lines of communications with business leaders, elected officials, and civic organizations to maximize Remedy Fairfax's positive impact on the community. This would initially be Nicolas Pommier;
- **Expungement Clinics** held to help persons with minor drug related crimes wipe their record clean – Element 7 was a partner of Fresno's very first cannabis expungement clinic in partnership with NDICA (National Diversity and Inclusiveness Cannabis Alliance) and the Fresno Public Defenders Office – there is a need for these clinics to be held in Marin County with many residents having small cannabis convictions from the 80's, 90's and 2000's on their records which holds them back in many aspects of life;
- **Educational Clinics** that educate local constituents about the medical benefits, myths, and facts, and latest cannabis research. Normalization of cannabis begins with education as an informed public that is enlightened on the beneficial qualities of cannabis through credible, reliable, and fact-based information is less easily swayed by misinformation and/or propoganda;
- **E7 Cares** program (registration efforts underway to make this a 501C) that will directly support local health, education, and veterans' affairs efforts, providing significant funding to initiate establishment of facilities that contribute toward local community development in these and other areas;
- **Justice Reform Programs** headed by Lynne Lyman, the former State Director for California's Drug Policy Alliance whose extensive experience fighting outdated drug policies has promoted cutting-edge, alternative solutions to the unfair incarceration of individuals convicted of minor drug-related violations and crimes, plus a mentorship program that will see Element 7 mentor two 21-year old workers annually;
- Commitment to working with local **Craft Cannabis** producers to support their business and help them expand across California through our network (as cannabis business expands across Marin County, this program will continue to expand);
- **Community Advisory Board** formed from the local community that will keep us accountable annually to the commitments we make;
- **Volunteer Programs** that will see all full-time staff commit 40-hours annually to local charities and causes;
- A range of "**green**" initiatives that feature energy efficient lighting, water

saving devices, full recycling methods, and waste, water, and air management practices that drive the business toward zero-waste and best-practice environmental standards;

- Design Standards that protect and enhance local architecture;
- Commitment to hiring **80% of Staff** from the local community.

We are a Holistic Wellness Company

Holistic wellness is based on the principle of *wholeness*; it aims at the pinnacle of achievable human health. It embraces physical, mental, spiritual, and practical wellness, as well as the other pillars mentioned below. Remedy Fairfax will incorporate each of the following into its business model and communications strategy.

1. **Physical Wellness:** Physical wellness is comprised of several components including body mass, cholesterol and glucose levels, blood pressure, organ function, circulatory system, and overall strength, stamina, and endurance. Remedy Fairfax will promote physical wellness to both its staff and its customers. Staff will be offered complimentary memberships to gyms, yoga studios, and other businesses dedicated to physical wellness and fitness. For customers, Remedy Fairfax will offer free yoga and Pilates classes as a part of programs such as *Wellness Wednesdays*. We will collaborate and cross-promote with local fitness and physical wellness businesses, encouraging all who visit us to lead healthy and balanced lives.
2. **Emotional Wellness:** Emotional wellness hinges on our ability to emotionally self-regulate and compartmentalize. It is what allows us to handle periods of stress and other emotional issues. For many users, cannabis plays an important role in emotional wellness, helping them find balance in stressful times and even helping those who are coping with emotional traumas. Our Holistic Wellness Center, Community Outreach Groups, monthly Meetup Group and other initiatives and events will help us reach out to the community and promote emotional wellness to both staff and customers.
3. **Social Wellness:** Social wellness depends on the strength of our surrounding communities and our connections to them. In short, it is a reflection of our sense of belonging—so crucial to holistic wellness. Remedy Fairfax will cultivate a sense of community through its weekly and monthly events calendar. We aim to strengthen existing communities in which we operate through local enterprise management: we will hire 80% of our staff from within the local Fairfax community.
4. **Spiritual Wellness:** Spiritual wellness means very different things to different people. Overall, spiritual wellness is a sense of connection between our deepest selves and the larger world (both natural and supernatural). Our weekly and monthly events and our Holistic Wellness Center will all promote activities and events that promote and, whenever possible, heighten spiritual wellness and awareness.

5. **Intellectual Wellness:** Learning is how we grow and come to better understand ourselves and the world around us. Remedy Fairfax will encourage intellectual wellness through our continuous learning process that will embrace staff and customers alike. Our website includes 10 white papers on cannabis-related topics, and a range of printed materials will be available in our stores. We want Remedy Fairfax to be a learning environment, with the centerpiece of this being the **E7 Learning Zone**, which will provide a wealth of educational resources for both experienced and first-time cannabis users.
6. **Environmental Wellness:** Remedy Fairfax will encourage appreciation for the planet and its resources—an appreciation that will be reflected in the overall design of the retail outlet (including our choice of sustainable and recycled building materials) and in the tone and look of our communication materials sourced from sustainable and environmentally friendly partners. Our packaging will use recycled and earth-friendly materials. Beyond this, we plan to achieve Net-Zero sustainability standards, which is why our team includes a LEED-certified employee and Dr. YuFu Cheng, one of the world's leading policy makers for global warming and sustainable business practices.

We Have a Unique Retail Concept

Our store draws inspiration from several concepts. We want to connect our retail spaces directly to the horticultural world in which they will play a part. Whites will be balanced with warm, neutral underlying tones and greens. Glass will be paired with natural-feeling building materials like stones and natural timbers, resulting in an eco-friendly and eco-modern feel. Like our products, our stores will both *feel* and *be* natural.

Upon arriving at Remedy Fairfax, first-time visitors will be directed to the **E7 Learning Zone**. Our desire to educate cannabis consumers (especially first-time users) will be a strong point of differentiation for our brand. Customers will be encouraged to interact with our staff and engage with our touch-screen terminals, which will educate customers about the cultivation of cannabis and the different types of cannabis and cannabis products (e.g., edibles, extracts, and smokables).

Our **BudTenders** and **BudMasters** will be some of the most highly trained experts in the industry. Staff will undergo a minimum of 120 hours of classroom-based training before working in one of our retail outlets—that's seven times the industry average (BDS Analytics reports that retail staff in the industry receive around 16 hours of training—often substantially less). Our BudMasters have over 200 hours of classroom-based training, which doesn't include the hundreds of hours spent on our retail floor, making them some of the most trained and well-qualified servers in the industry.

Integrating RFID Technology into the Customer Experience

In addition, Remedy Fairfax will incorporate technology heavily into its in-store

experience, primarily to drive a consistent message to customers and patients, and to ensure that patients are able to assess all aspects of the cannabis products prior to purchase – RFID Technology used on the base of packaging allows consumers to scan products and then gather a robust amount of information on the products, all that the touch of their fingertips.



Sustainable Vertical Business Operations

The Element 7 team have built a robust business plan with financials that demonstrate that the business could generate significant and sustainable profits in its second year of operations. We have founded our company with a vision and a purpose—namely, to be the most controlled, compliant, taxed, tested and trusted cannabis business in Fairfax.

This will be achieved through a mix of vertically integrated operations (which drive price advantage in the market), a clear marketing strategy, a highly desirable retail location, and a merchandising and pricing strategy that ranges from popular products for everyday use through to premium-niche craft products.

We take a long-term approach to financial targets, understanding that if we get the product and people right, profits will follow. Community engagement and localization sit at the heart of our business, and we know that this commitment is critical to the community's widespread acceptance of the Remedy Fairfax business and brand.

To drive our localization initiative, our internal goal is to have 80% of our staff hired from within the Town of Fairfax and the surrounding County. Staff members will all have a chance to become part-owners of the business through our Stock Incentive Plan.

We are a performance-based organization; however, we will incentivize and reward our employees and executives based on more than just financial

performance. Staff evaluation will include a range of soft targets and measures focused on sustainable business practices and brand development.

With approximately 40,000 cannabis consumers living within the County, 80% of which live within 25 miles of Fairfax, we have estimated that our customer base will be approximately 150 shoppers per day for medical storefront sales with a further 50-100 adult-use delivery sales which will expand with enforcement of non-compliant delivery businesses.

We are confident that we have the team, experience, financial backing, business plan, partnerships and alliances, compliant property and business vision to ensure that, if awarded a license by the Town of Fairfax, we will be Fairfax's most compliant, controlled, taxed, tested and trusted cannabis operator, setting new standards and benchmarks for how cannabis businesses can and should operate.

Our Business Model is Built on Customer and Industry Insight

Remedy Fairfax's business model is based on a truly holistic cannabis experience. The brand aims to provide the highest-quality cannabis on the market at an affordable price while simultaneously providing customers with an immersive retail experience in a secure, relaxed, enjoyable, and aesthetically pleasing environment.

We also offer the opportunity for customers to experience Remedy Fairfax's concept with knowledgeable Bud-Tenders services, planned merchandising for a better shopping experience, limited and exclusive drops from brands including WonderBrett and Cookies, and a range of products specifically catered for the local market based on local data insights.

We have built our business model on four core value propositions:

1. **Delivering an Unmatched Cannabis Experience:** What sets Remedy Fairfax apart from other dispensaries and cannabis operations will be the range of different cannabis experiences we will make available to customers—exclusive product drops, limited editions, and our \$20 shelf for budget-conscious customers. Remedy Fairfax is set to become the standard by which all other dispensaries will be measured—an ambitious goal, but one grounded in our deep understanding of the market and its unrealized potential.
2. **Being Locally Relevant:** While our outlook is global, it is one of our core principles that we remain locally relevant. Every operation that we are involved with has a strong focus on making a positive local footprint. We always attempt to work with local suppliers and show a marked preference for hiring locally. We build strong relationships with local community organizations, establish local business outreach programs, host local community education workshops, and offer a stock incentive plan that turns local employees into owners. We also build advisor teams that seek to understand and balance the needs of the industry and the community.

3. **Respecting Diversity and Accessibility:** Just because we offer a premium product, that does not mean we have to be exclusive. We appreciate that The Town of Fairfax is a diverse, eclectic community, which is why Remedy Fairfax will offer a range of products including high-quality yet affordable cannabis products through to more exclusive premium ranges. Our businesses have never and will never discriminate on the basis of age, sex, race, religion, disability, or sexual orientation. Our hiring practices will create a team that is representative of Fairfax's vibrant and diverse community.
4. **Winning with Technology and Data:** We have formed two strategic alliances that will enable us to be one of the highest-performing retail businesses in the state. We have partnered with BRIGADE, which holds the global exclusive license to Weedmaps customer and digital data, and with Ready Cart, a seven-year-old e-commerce company that created and operates BURPY, one of North America's best food delivery companies. Combining the strengths of these two alliances will give us a better understanding of customers than any other cannabis company in California, and it will give us access to a highly responsive technical platform with which we can efficiently manage and fulfil customer orders.

Research, Product Development, Innovation, and Design

We have a strong commitment to science, research and innovation. To demonstrate this commitment, we have formed three key strategic partnerships that contribute to the advancement of cannabis research and medical understanding of cannabis compounds:

1. **UCLA Cannabis Research Initiative:** We work closely with Dr. Jeff Chen, providing crucial funding for advanced opioid and cannabinoid studies at UCLA's Cannabis Research Initiative in Los Angeles, California.
2. **UCLA Riverside Hemp Research Partnership:** We have partnered with UCLA Riverside, the first university in California to apply for a DEA License to conduct research studies on hemp. Element 7 is assisting UCLA with the collection of field data.

STRATEGIC MARKETING PLAN

Value Proposition

Our value proposition is one of the most important elements in our marketing plan. It defines why our potential customers should choose Remedy Fairfax over other dispensaries in and around the County and Town of Fairfax.

Our two core target customers (wellness advocates and conservative experimenters) are both seeking brands, products, and services they can place their complete trust in, and that's exactly what we will provide: a dependable product and trustworthy customer care.

This core value proposition will be achieved by focusing on retailing brands and

products that meet our customers' lofty expectations, but also through our focus on holistic wellness. Holistic wellness is achieved through a carefully balanced lifestyle—the body, mind, and soul are all things to work on, to perfect even. The inevitable result of perfect balance is complete and all-encompassing success, happiness, health and fulfillment. Imbalance (caused by neglect of even a single element of holistic health) produces the opposite. At Remedy Fairfax, we believe that cannabis has a role to play in today's consumers' quest for balance and holistic health.

Market Analysis: Competitive Set

We will be operating the business with two distinct competitive sets:

- **Licensed Dispensaries in Nearby Towns and Cities:** With dispensaries operating in nearby towns and cities (licensed and unlicensed), it is important that we have a strong consumer offer. Our key competitive advantages over these competitors will be our education, advanced customer service, use of technology to power our business, price, quality of both products and customer care, and ease of online shopping options for the delivery business.
- **Non-Compliant Market:** With many non-compliant delivery businesses still operating in California, the competition from non-compliant sellers remains stiff. We believe that our product quality, pricing, and consumer education efforts are important advantages for us in this regard. We are looking to work with several of our Advisory Board members to create a powerful consumer education campaign focused on arming our customers with the right information about the benefits of compliant cannabis. A '**What's in Your Cannabis**' campaign targeting consumers is part of our broader marketing plan. Our \$20 online product shelf will help us compete head-to-head with the non-compliant black market.

There are over 20 businesses, all of which offer and advertise dispensary and delivery services in and around Fairfax. Most of these are unlicensed, untaxed, untested and non-compliant.

Fairfax needs strong and financially robust operators to create businesses in Fairfax that can take a bite out of this non-compliant activity. These operators need to be vertically integrated so they can compete in the areas that make non-compliant sellers so attractive (mainly price and convenience).

Marketing Goals

Our core marketing goals from the plan and strategies we have developed are:

1. Create and build a locally connected business that delivers a 25% market share in Year 1 of operations (among legal and licensed dispensaries within 20 mile radius).
2. Drive top of mind awareness through an always-on, digitally focused social media and content strategy.

3. Create loyalty to the Remedy Fairfax brand by delivering and living our core value proposition: cannabis you can trust.
4. Educate consumers about the harmful effects of consuming untested, unregulated, and non-compliant cannabis through the What's in Your Cannabis campaign (see the example below). A series of print executions will drive awareness of this issue and encourage consumers to purchase cannabis *only* from legal and licensed operators.



Product Range

Remedy Fairfax will retail a wide range of branded cannabis and cannabis-related products (e.g., flower, vapes, cartridges, and accessories) from its Fairfax outlet. These products will range from highly regarded premium brands (Wonderbrett, 710 Labs, Honey Vape, Dosist, West Coast Cure, Panaxia, Cookies, and Stiizy) through to a range of premium and everyday house brands produced under the Remedy Fairfax label.

Our \$20 Shelf initiative is one of the offers that will help us differentiate our dispensary from its competitors. This idea, which has never been tried before, will allow us to go head to head with non-compliant sellers while responsibly serving cannabis to many first-time and occasional adult-use customers. For \$20, customers can purchase either 1.25 grams of cannabis flower, a house-branded half gram cartridge, three pre-rolls, or a range of edible products. All of these will be—despite their affordable price tag—high-quality items.

We firmly believe that this initiative will be a strong differentiator for Remedy

Fairfax, allowing us to attract a constant stream of new adult-use customers without interfering with our larger goal of addressing our target audience with premium-range cannabis products and an unparalleled customer experience. The initiative will help support our core business mission: to be Fairfax's top source of "cannabis you can trust."

In addition, Remedy Fairfax will serve a range of premium house wellness products manufactured in licensed and compliant Element 7 facilities in other parts of California.

Natural Product Offerings

At Remedy Fairfax, we only source products from state-licensed distributors that have been tested by state-licensed testing labs. All products must come with a full track- and-trace history, which will be uplinked to our data management system for inventory management and patient tracking.

The preferred suppliers we have selected all have a long track record of producing high-quality products that are among the best in the industry. Remedy Fairfax will be implementing a quality assurance program that will include random testing of products in our inventory and quarterly site inspections with our suppliers' farms and manufacturing facilities to ensure they comply with our stringent product-quality and safety standards.

Whenever possible, we will choose all-natural, organic and sun-grown cannabis products, grown in bio-organic live soils rather than the alternative.

Remedy Fairfax will have a **Preferred Vendor Program** in place that will score existing and potential vendors on a 100-point scale, taking into account their compliance, sustainability, product quality, reliability, and brand innovation. To be considered for sales within Element 7 establishments, a vendor will need a pass-score of at least 80 points.

Holistic Product Development

Element 7 is actively developing a new range of herbal teas that we will sell in the dispensary.

What started out as a way to reduce landfill and protect our environment has become one of the cannabis industry's biggest break-out product innovations in recent years—an idea that has the potential to change the way cannabis is consumed and ingested.

Cannabis-derived teas are already manufactured and sold within the California market.

It is not the product itself that we aim to revolutionize but, rather, the experience of it. We aim to help create a sub-culture of cannabis tea drinkers with a broad range of healthy products aimed at the same. The idea not only offers new ways to consume cannabis, it also solves one of the industry's persistent problems (how to dispose of cannabis stems and stalks). We will promote cannabis-infused tea as a viable and healthy alternate to other beverages.

From a business point of view, this emphasis on cannabis-infused teas adds yet another signature element to our concept that differentiates Element 7 from other operators. For many customers, Element 7's cannabis-infused teas will be their first experience of the product, and we are confident this experience will help build brand loyalty.

Pricing Strategy

Remedy Fairfax are looking to offer cannabis products ranging from mass-market through to premium branded products, with prices at all levels (from our \$20 house shelf to more expensive top-shelf products, services, and experiences). Our ranges will align neatly with our holistic wellness positioning, with each upward movement in price corresponding to a desired physical and/or emotional effect or a discernible increase in potency and/or product quality.

We will continually monitor pricing to ensure that we are remaining competitive in the local and broader market. We will use common pricing tactics such as lead pricing to drive customers into the retail outlet for themed promotions, holidays, and weekly specials.

Advertising and Media Strategy

Remedy Fairfax will develop a carefully targeted advertising and media strategy that addresses our identified targeted audiences. The goal of our advertising and media strategy is to reach and persuade potential customers in the most efficient (cost per reach) and effective (optimal targeting) ways possible. Remedy Fairfax will use a mix of emotional and functional messaging to demonstrate the benefits connected to the product and the Remedy Fairfax brand. At the same time, we will emotionally connect with customers to place the Remedy Fairfax brand firmly within their consideration set. A number of channels have been included in the plan to build scale for the advertising campaign (awareness) and targeted reach (trial). By focusing on awareness and trial, we will drive traffic into our retail outlet, where we can then demonstrate our holistic wellness positioning, brand experience, and product range.

5. ADDITIONAL INFORMATION TO DEMONSTRATE SUSTAINABLE COMMERCIAL SUCCESS & DEVELOPMENT CONSISTEN WITH THE VALUES OF FAIRFAX

Success in business is driven by understanding who your customer is, and isn't, and why those customers are shopping with you, or not.

Remedy Fairfax will create success in Fairfax by adhering to proven retail principles and appreciating that deeply local (and tribal) communities like Fairfax, need to think, talk, and act very local to be accepted by the local community.

In terms of what drives success in today's retail cannabis market, the following principles are critical:

1. Prioritizing what's important and getting it done immediately.
2. Knowing what the competition is doing and what they are not.
3. Building trial, retention, and loyalty through great customer service, merchandising, engaging media, pricing, and consistency.
4. Attracting customers that are prepared to pay full price for goods. Nurturing these full paying premium customers is critical to financial performance. Good customers will keep coming back and paying full price.
5. Hiring and retaining amazing and passionate local talent.
6. Training our employees to be the best BudTenders in the industry.
7. Curate the best quality products.
8. Engaging our customers in-store with a great brand experience, curated through design and full sensual engagement.
9. Inviting customers to continuously come back.
10. Understanding and accepting change is continuous and being ready to adapt to changing trends before they happen.

In a market like Fairfax, it is also critical that we build a local voice and footprint that respects the community values and seeks to enhance them over time by becoming ingrained into the fabric of the community. We will do this by:

1. Being locally owned and operated.
2. Having a strong preference for local talent.
3. Nurturing local businesses through partnerships, collaborations, cross-promotions and continuous community outreach.

4. Supporting local non-profits and charities that are important to the local community.
5. Being a great business neighbour.

Most importantly, it's about being seen in a small community like Fairfax, to be:

- Authentic and real
- Genuine
- Open to change and dialogue with our neighbors
- Integrated
- Part of the community

Nicholas Pommier and Matthew Brown, who are all owners of the business will be highly active in this regard – as demonstrated by the 35 Letters of Support and the 45 signatures we have obtained so far, the community feel very comfortable with these gentleman and the commitment that they have all put into Fairfax and Marin County over the last 11-40+ years. Each of them have family and businesses that are very active in the community. They are all active, fit, healthy, and embody all that is great about the communities they live in.

We are confident that with Nicolas's day to day management of the business as a General Manager, that we will build a business that is not only embraced by Fairfax, but one that actively works to make Fairfax a better place to live and do business.

Through the rest of this section, we will dive into each of these sections delivering our perspective on each and how we will respond to each as a retail operator.

Industry Background and Trends

Our vertically integrated operations give us a panoramic view of the industry that few others can match. Our access to data and intelligence through our partnership with Brigade affords us substantial insights into today's consumers and their changing preferences and behaviors. This allows us to develop new products or approaches to market that will keep us ahead of our competition.

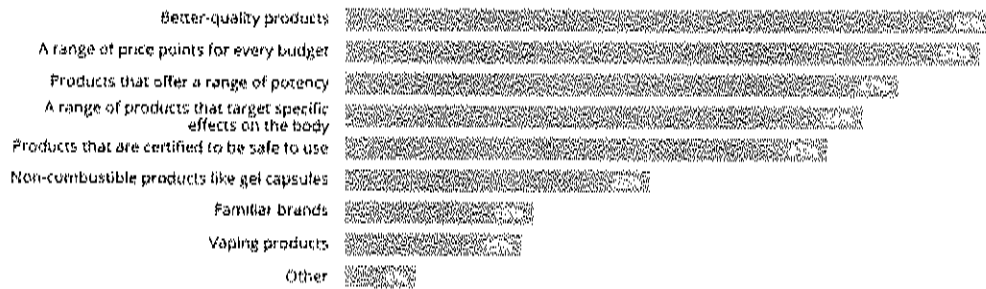
The non-compliant market continues to thrive in California. Local and state taxes, levies, and fees remain a hurdle for would-be operators. As an industry, it is our responsibility to persuade consumers to move their purchases to legal sources. If we are to make a truly compelling case to consumers, we need to find ways to close the cost gap between compliant and non-compliant cannabis.

Data gathered from Californian consumers over the last twelve months tell us that consumers fully understand that they have to pay more for legal products, but consumers also say that they'll only do this up to a certain point. Quality, integrity, trust, customer service, and competitive price points are critical if the industry is to continue convincing existing consumers to shift their purchases to legal channels.

At Element 7, we believe we can do more than our part to help tackle this issue through our commitment to providing an unparalleled customer experience and

unrivaled product quality.

Reasons to transition to legal purchase channels



SOURCE: DELOITTE 2018 CANNABIS REPORT, A SOCIETY IN TRANSITION, AN INDUSTRY READY TO BLOOM

Cannabis consumers aren't as paranoid as some make them out to be, but they are rightfully concerned about how industry operators are collecting and storing their personal information. Having HIPAA-compliant software and systems in place is critical if we are to help our customers alleviate these concerns. If we want first-time customers to become regular clients, we need to be able to show each new customer that their personal information is entirely safe in our hands.

Innovation is critical if we are to stay ahead of the competition. Since the industry's birth, it has transitioned from a cottage market to a thriving and highly sophisticated industry. Those who treat cannabis as a cottage industry are rapidly being left behind. The retail environment, which is becoming more crowded by the minute, now features a number of operators fiercely competing for customer loyalty.

Operators who innovate both on their own and through partnerships and joint ventures are able to stay ahead of the game. By focusing on forging lasting alliances with like-minded partners, we will push ourselves to the front of the pack and, once there, we will continue to innovate to remain there.

The cannabis market is shifting. With the addition of younger and older consumers, soccer moms, and housewives, the market is diversifying and fragmenting. Conservative experimenters are now interested in cannabis for its health and medicinal properties.

As an operator, we can no longer create brands that attempt to stand for everything—rather, we must be far more defined in how we approach brand marketing, consumer segmentation and addressing certain unmet consumer need- states such as those demonstrated below (sourced from a 2018 Canadian survey).

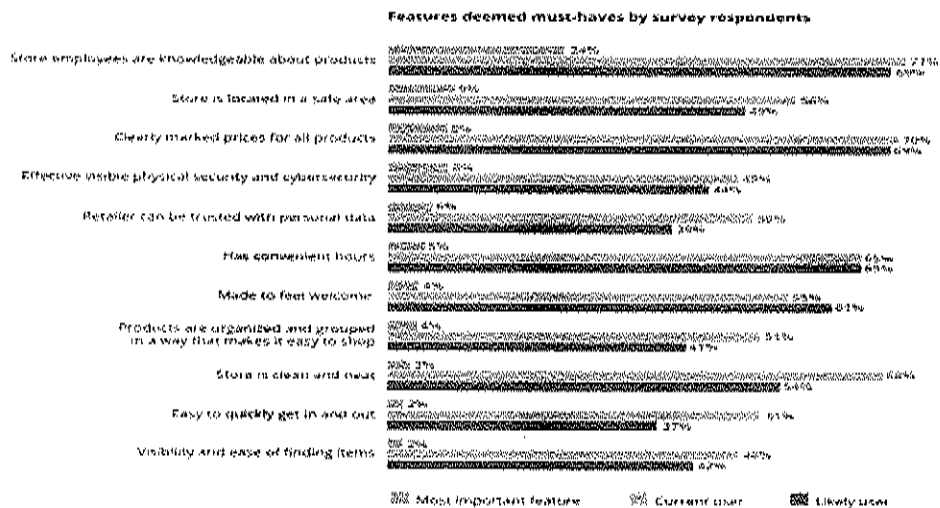
Reasons for using recreational cannabis



SOURCE: DELOITTE 2018 CANNABIS REPORT, A SOCIETY IN TRANSITION, AN INDUSTRY READY TO BLOOM

As cannabis settles into its place in the market, consumers are purchasing cannabis and cannabis-related products more frequently and in higher volumes. This shows a willingness to spend more and shop more often; however, brand loyalty is still hard to come by. Unlike in other categories such as snacks, beverages and household products, consumers will happily experiment with new brands, delivery methods, and ingestion options.

Shopping preferences in physical stores



SOURCE: DELOITTE 2018 CANNABIS REPORT, A SOCIETY IN TRANSITION, AN INDUSTRY READY TO BLOOM

Given the limited channels available for building a cannabis brand, in-store shelf presence and knowledgeable staff are both critical. This is why we have a dedicated staff training program and a full-time visual merchandiser employed at Element 7. These will combine to create an unforgettable customer experience with education at its core.

The Canadian cannabis consumer data cited above gives us a clear picture of

consumers' changing preferences and how we can lean into these preferences to create an unforgettable experience. Consumers want a retail shopping experience that is convenient, but they also want to see extremely knowledgeable staff and extreme care taken with their personal information. As these preferences change—and they almost certainly will—Element 7 will adapt its products and practices to follow customers as they move.

If the alcohol and tobacco industries are any indication, industries can thrive in tightly regulated and controlled markets. As recreational cannabis consumption fully enters the mainstream, we will be there to provide consumers with safe and ethically sourced products tailored to their needs. Rather than a hindrance, we view regulation and control as favorable: not only does it provide a barrier to entry to poorly organized operators, it also has the consumer's wellbeing at heart.

We want to operate a profitable business, but we also want to take care of our customers and our community. Regulation is good for both of these.

Staff Recruitment: Hiring and Retaining Great Local Talent

At Remedy Fairfax we understand that the backbone of our business is our employees and the relationships we hold with them and the relationships they hold with the patients and customers. This is what creates and drives business advantage. We continuously monitor our salaries and benchmarks and will meet or exceed the "Living Wage" benchmark.

Local Hiring Preferences

Preference will be given to hiring local members of the community with equity, diversity and social responsibility an integral part in our hiring practices. The Management Team at Remedy Fairfax Fairfax will report to the Board of Directors, and will comprise the General Manager, 2 Management Executives and approximately 8-10 new local hires in security and sales roles (see organizational chart below). Our aim is to hire locally with 80% of these positions to be filled with local talent.

We understand that economic, ethnic, gender, and racial equality requires social change, progress, and action. We at Remedy Fairfax look to contribute to societal equality through our hiring practices, retention practices, and treatment of employees. These practices only serve to further facilitate community bonding with not only our patients and customers, but also with the Fairfax community.

Compensation Packages

We aim to **exceed** any 'Fair Living' wages dictated by the City or State. Employees, given the nature of the industry, should be paid more than the industry standard. This is also important for attracting and retaining key talent. We want to incentivize good work and compensate outstanding practices. We know that in order to retain good talent as an employer we need to offer more in the form of benefits such as health insurance, paid vacations, paid sick days, dental and the right to take leave for medical or family reasons etc.

Employee and Health Benefits

Remedy Fairfax will be offering the following Employee and Health Benefits to its staff, which shall include (on top of their wages and salaries):

- Medical, prescription, vision and dental health plan
- Retirement Benefit Plans (401K)
- Disability Income Protection Plan

We also recognise the importance of maintaining fitness and health and will be offering full-time employees a \$300.00 grant towards a fitness or health club membership – we will discuss programs with fitness and health clubs surrounding Remedy Fairfax. Other perks offered to employees will include:

- Refreshments and meals
- An ongoing formalised staff training program
- Sick leave (up to 20 days a year for full-time staff)
- Paid Vacation Leave (up to 10 days a year for full-time staff)
- Family-friendly shifts

Our policy is to 'promote within', whereby existing staff will be looked at first for any future job promotions.

Staff Training

Staff training sits at the heart of our business. Having an effective staff training program in place is critical for several reasons. Firstly, cannabis consumers look to in-store staff for purchase decisions more than any media channel, form of advertising or any industry news. Secondly, having an effective staff training program in place is critical for compliant and legal operations. Finally, staff training is critical to personal development, hiring and retaining our best talent.

Staff will be trained at the following facilities over an initial 6-week period prior to starting operations:

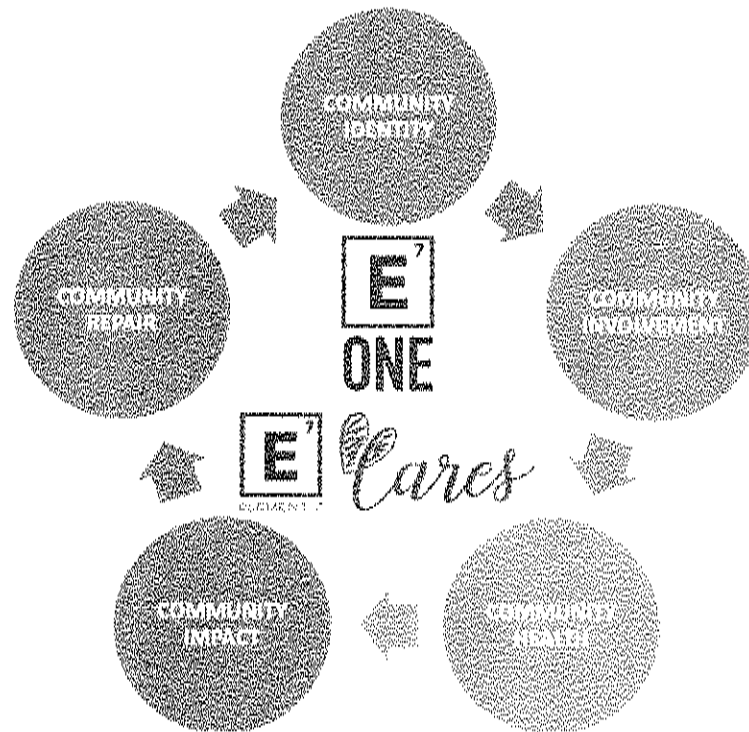
1. 1-week classroom based training in California (held in San Francisco).
3. 2-week job placement in Element 7's Training Facility in Fort Bragg.
4. 2-week on-the-job training in Fairfax with daily de-briefings.

Creating Community Impact

True 'Localization' isn't putting another business in the hands of the wealthy few that live and work in small communities. In our opinion, that creates an irreparable gap in the already critical divide that exists in many communities across North America.

Community Engagement in Fairfax

The success of Remedy Fairfax in the Town of Fairfax is directly related to our acceptance by the local residents, patients, customers and the surrounding community. In order to be accepted, Remedy Fairfax intends to fully integrate with the community by actively participating as a community member and improving the community where it can.



Our initial outreach efforts in the community have been outstanding – we have managed to gather support from residents, business neighbors, and community leaders including:

- **35 Letters of Support**
- **45 Signatures of Support**

These materials have been included in Section 10 of this Application.

Summary

Customer education is critical to the growth and development of the Remedy Fairfax

cannabis business and brand. In an industry full of uncertainty, anxiety, and confusion, Remedy Fairfax's commitment to education will be a strong differentiator and competitive advantage for us.

We are deeply committed to providing clarity, comfort, and appropriate options for our customers, ensuring that our Customer Experience Map delivers a consistent message and tone at every touch point.

As consumers ourselves, we are determined to ensure that we leverage every tool at our disposal to better educate our existing and new customers so that their cannabis experience is optimized, and their holistic wellness and health needs are continually exceeded.

In order to deliver the most accurate, reliable and consistent information to our

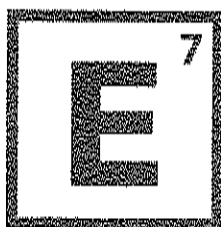
patients and customers, our bud-tenders will be required to complete 120-hours of formal classroom teaching which is 7X the industry average. For their first month, they will undergo a formal on-the-job training program which they must PASS in order to receive full-time employment with Remedy Fairfax. We are committed to ensuring that we have the most experienced and well-training bud-tenders in the industry.

We know that our E7 Learning Zone will set a new standard in how patients and customers can and should be educated within the retail outlet. We are committed to enabling these people to learn and discover at their own pace in an environment that is warm, welcoming, and fun.

We are confident we have the team, experience, community support, vision, and retail concept needed to operate Remedy Fairfax Fairfax as a deeply local cannabis business supported by a head office team that ensures operations are compliant, controlled, trusted, and taxed.

We are excited about commencing operations in Fairfax and exceeding the City's expectations for cannabis business development in the same way that Marin Alliance for Medicine set the benchmark and paved the way for development of the industry many years earlier.

We look forward to being a collaborator with Marin Alliance for Medicine, working to build the cannabis economy in Fairfax, and being a great partner as we all strive for a better industry tomorrow.



ELEMENT 7

PROOF OF CAPITALIZATION

December 28, 2020

Town of Fairfax

Sent by Email

Dear Sir / Madam,

I am writing to you with regards to Element 7's current sources of funding, capitalization, and financing.

Material on this page is requested to be exempt from disclosure under FOIA because it contains critical infrastructure information, highly confidential financial and funding information, and trade secrets. We would request that all pages be redacted for confidentiality purposes.

I have provided several documents for your review of Element 7's financial position, including:

1. **Demonstration of Capital letter from Diverse Real Estate Solutions LLC.** Diverse is a specialist subsidiary within one of Southern California's largest property development groups. Their commitment of up to **\$15,000,000.00** is specifically for the acquisition of commercial, industrial, and retail properties for Element 7 operations. The funding is in the form of a debt structure.
2. **Demonstration of Funding Letter from Industrial Court L11 LLC.** Industrial Court L11 LLC are one of California's largest vertically integrated cannabis manufacturers, distributors, and cultivators. With annualized revenues of \$120,000,000.00, Industrial Court L11 LLC have committed **\$5,000,000.00** in funding over the next 12 months to Element 7 in California for inventory, working capital, and tenant improvements for retail properties. This funding is provided in return for shelf space across Element 7 stores in California and preferred trade terms.



Material on this page is requested to be exempt from disclosure under FOIA because it contains critical infrastructure information, highly confidential security information and trade secrets.

Collectively, the various funding commitments provide Element 7 with over \$20 Million in funding and financing for the business as it expands across California.

Please do not hesitate to contact me further for any clarification on our finances or demonstration of our capital ability at any time.

Kind regards,

Eric Greenberg

Eric Greenberg
Chief Financial Officer
Element 7 Inc.



Material on this page is requested to be exempt from disclosure under FOIA because it contains critical infrastructure information, highly confidential security information and trade secrets.



October 1, 2020

Mr. Robert M. DiVito Jr.
ELEMENT 7
645 West 9th Street, #110-631
Los Angeles, CA 90015

RE: Proof of Funds / Demonstration of Capital

Dear Robert:

This letter confirms our discussions to date and is written specifically in support of your application for a commercial cannabis licenses in California.

We stand ready, willing and able to provide up to \$15,000,000.00 in funds sufficient for property purchases, property leases, and property development across California as anticipated in our Master Agreement. All such funds would be fully free of any liens, debts and/or encumbrances and are of clean, clear and non-criminal origin.

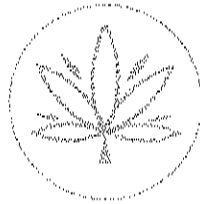
Diverse is a division of one of Southern California's largest privately-owned property development and land holding companies founded in 1978 with operations that span the globe. Our North American operations cover 22 States and we have a proven track record of property development that covers hotels, retail, private homes, medium-density housing, and aged-care facilities.

Should any City or State officials require verification of the above mentioned funds, please do not hesitate to have them reach out to me at 619-206-4761 or ccopelan@cbisre.com.

Sincerely,
Diverse Real Estate Solutions, LLC
By: CBIS Real Estate, Inc., disclosed agent

A handwritten signature in black ink, appearing to read "Charles H. Copelan". The signature is fluid and cursive.

Charles H. Copelan, its Manager



PROOF OF CAPITAL FUNDING LETTER FOR CANNABIS LICENSES

September 24, 2020

Robert M. DiVito Jr.
Element 7 LLC
8033 Sunset Blvd., #987
Los Angeles, CA 90046

Dear Robert,

We, Industrial Court L11 LLC, located at 34 Tesla, Irvine CA 92618, hereby confirm our intent to make available cash funds of Five Million US Dollars (**\$5,000,000.00**), to Element 7, Inc (or any of its named subsidiaries, including SIGRA LLC) with immediate effect.

Use of these funds is intended to support development, construction, operations, leasing and other capital and operational costs for Element 7's endeavor to obtain commercial cannabis licenses in the state of California. These funds will be made immediately available in USD\$ via wire transfer within 48 hours of when such request is made.

We further confirm that these cash funds on deposit are legally earned and are free of any liens or encumbrances. Said cash funds are immediately available and freely transferable

Should you require additional verification of the above-mentioned funds, please contact us at your convenience. I can be reached at (714) 330 7003.

Kind regards,

Sean

Sean Sand
Chief Financial Officer

PROJECTED INCOME STATEMENT

	2019	2020	2021	2022	2023
Sales					
Flower	\$ 776,153	\$ 828,526	\$ 1,090,747	\$ 1,229,881	\$ 1,384,958
Concentrates	\$ 378,407	\$ 394,822	\$ 472,599	\$ 548,253	\$ 610,967
Edibles	\$ 245,281	\$ 258,327	\$ 354,493	\$ 399,451	\$ 450,172
Topicals	\$ 80,581	\$ 114,810	\$ 156,343	\$ 183,625	\$ 214,220
Accessories	\$ 281,022	\$ 220,652	\$ 272,487	\$ 307,170	\$ 326,240
Dispensary Revenues	\$ 1,810,032	\$ 2,296,139	\$ 2,756,668	\$ 3,072,303	\$ 3,465,304
Flower	\$ 482,835	\$ 512,352	\$ 751,433	\$ 898,427	\$ 1,074,178
Concentrates	\$ 386,269	\$ 488,881	\$ 603,247	\$ 718,742	\$ 856,241
Edibles	\$ 156,921	\$ 199,019	\$ 244,216	\$ 281,838	\$ 345,107
Topicals	\$ 64,354	\$ 76,544	\$ 91,229	\$ 112,828	\$ 134,272
Accessories	\$ 220,769	\$ 153,088	\$ 187,658	\$ 214,807	\$ 228,549
Delivery Revenues	\$ 1,207,068	\$ 1,590,890	\$ 1,878,581	\$ 2,146,668	\$ 2,483,440
Non-store Advertising / Listing / Promotional Revenues	\$ 310,000	\$ 720,000	\$ 792,000	\$ 871,200	\$ 958,200
GRAND SALES	\$ 3,377,720.19	\$ 4,442,189.87	\$ 5,197,450.91	\$ 6,189,971.00	\$ 7,106,158.84

CONTRIBUTION ANALYSIS

	2019	2020	2021	2022	2023
Sales					
Flower	21%	20%	20%	20%	19%
Concentrates	12%	10%	10%	10%	10%
Edibles	7%	7%	7%	6%	6%
Topicals	2%	3%	3%	3%	3%
Accessories	16%	10%	10%	10%	10%
Dispensary Revenues	54%	50%	52%	50%	49%
Flower	14%	15%	14%	15%	15%
Concentrates	12%	11%	11%	12%	12%
Edibles	5%	4%	5%	5%	5%
Topicals	3%	2%	2%	2%	2%
Accessories	4%	3%	3%	4%	4%
Delivery Revenues	64%	64%	62%	60%	60%
Non-store Advertising / Listing / Promotional Revenues	10%	16%	15%	14%	13%

	2019	2020	2021	2022	2023
Cost of Goods Sold (COGS)					
Flower	\$ 362,120	\$ 450,744	\$ 464,776	\$ 431,632	\$ 532,984
Concentrates	\$ 289,701	\$ 367,811	\$ 382,873	\$ 388,306	\$ 444,167
Edibles	\$ 117,691	\$ 149,861	\$ 177,246	\$ 189,738	\$ 225,056
Topicals	\$ 45,286	\$ 67,400	\$ 84,177	\$ 78,818	\$ 85,860
Accessories	\$ 20,632	\$ 114,810	\$ 156,343	\$ 183,625	\$ 214,220
Dispensary COGS	\$ 305,316	\$ 1,148,160	\$ 1,254,259	\$ 1,313,117	\$ 1,481,907
Flower	\$ 241,419	\$ 306,176	\$ 333,970	\$ 330,371	\$ 429,670
Concentrates	\$ 185,154	\$ 244,961	\$ 272,176	\$ 267,487	\$ 348,740
Edibles	\$ 78,461	\$ 98,507	\$ 121,508	\$ 145,984	\$ 174,554
Topicals	\$ 30,177	\$ 36,272	\$ 46,263	\$ 46,182	\$ 67,384
Accessories	\$ 60,354	\$ 76,544	\$ 91,829	\$ 112,828	\$ 134,272
Delivery COGS	\$ 603,544	\$ 783,440	\$ 864,148	\$ 961,317	\$ 1,149,968
Cost of Goods Sold	\$ 452,695	\$ 974,880	\$ 1,090,818	\$ 1,097,816	\$ 1,213,174
Cost of Goods Sold	\$ 1,961,538	\$ 3,487,879	\$ 3,803,823	\$ 4,374,350	\$ 5,059,481

	2019	2020	2021	2022	2023
Cost of Goods Sold (COGS)					
Flower	11%	10%	9%	8%	8%
Concentrates	6%	8%	7%	6%	6%
Edibles	3%	3%	3%	3%	3%
Topicals	1%	1%	1%	1%	1%
Accessories	3%	3%	3%	3%	3%
Dispensary COGS	17%	25%	23%	21%	21%
Flower	7%	7%	6%	6%	6%
Concentrates	5%	5%	5%	5%	5%
Edibles	3%	2%	3%	3%	3%
Topicals	1%	1%	1%	1%	1%
Accessories	2%	2%	2%	2%	2%
Delivery COGS	18%	17%	16%	16%	16%
Cost of Goods Sold	13%	13%	13%	13%	13%
Non-store Advertising / Listing / Promotional Revenues	94%	95%	92%	90%	89%

OPERATING EXPENSES (OPEX)

	2019	2020	2021	2022	2023
Operating Expenses (OPEX)					
Marketing / Promotions	\$ 144,686	\$ 217,150	\$ 260,873	\$ 309,499	\$ 355,308
Rent	\$ 48,208	\$ 45,160	\$ 49,828	\$ 50,009	\$ 53,510
Property Tax	\$ 11,500	\$ 11,076	\$ 11,678	\$ 13,315	\$ 13,878
Property Insurance	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600
Utilities	\$ 13,284	\$ 13,003	\$ 13,653	\$ 14,336	\$ 15,053
Cleaning	\$ 14,400	\$ 13,120	\$ 14,676	\$ 16,670	\$ 17,505
Business Insurance	\$ 20,400	\$ 21,420	\$ 22,491	\$ 23,616	\$ 24,798
IT & Subscriptions (POS and Software)	\$ 29,200	\$ 27,960	\$ 30,858	\$ 33,901	\$ 37,086
Cash Handling Fees	\$ 24,142	\$ 30,618	\$ 37,572	\$ 44,921	\$ 51,709
Accounting	\$ 24,900	\$ 25,209	\$ 26,460	\$ 27,781	\$ 29,173
Legal & Consulting	\$ 12,000	\$ 17,000	\$ 19,210	\$ 19,894	\$ 24,588
Internet & Cellular	\$ 6,870	\$ 6,806	\$ 6,815	\$ 6,946	\$ 7,283
Web Development, Hosting & Branding	\$ 10,000	\$ 10,500	\$ 11,025	\$ 11,576	\$ 12,153
Security	\$ 188,280	\$ 196,828	\$ 208,240	\$ 218,452	\$ 229,543
Licensing Costs	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Depreciation	\$ 37,857	\$ 37,857	\$ 37,857	\$ 37,857	\$ 37,857
Office Supplies	\$ 3,000	\$ 3,150	\$ 3,268	\$ 3,473	\$ 3,647
Delivery Payroll - Dispatchers	\$ 69,120	\$ 71,576	\$ 76,205	\$ 80,015	\$ 84,016
Delivery Payroll - Drivers	\$ 69,120	\$ 71,576	\$ 114,807	\$ 120,015	\$ 126,024
Dispensary Payroll - Shift Supervisors	\$ 84,480	\$ 86,704	\$ 93,138	\$ 97,796	\$ 102,680
Dispensary Payroll - Budtenders & Cashiers	\$ 180,480	\$ 189,504	\$ 237,082	\$ 248,936	\$ 261,687
Management Payroll	\$ 57,900	\$ 60,480	\$ 64,504	\$ 68,479	\$ 70,019
Payroll Tax	\$ 35,251	\$ 37,018	\$ 44,894	\$ 46,929	\$ 49,376
Local Cannabis Tax	\$ 120,888	\$ 161,160	\$ 206,271	\$ 255,319	\$ 307,983
Operating Expenses	\$ 1,818,866	\$ 1,489,661	\$ 1,687,168	\$ 1,823,133	\$ 1,978,486

OPERATING EXPENSES (OPEX)

	2019	2020	2021	2022	2023
Operating Expenses (OPEX)					
Marketing / Promotions	3%	3%	3%	3%	3%
Rent	1%	1%	1%	1%	1%
Property Tax	0%	0%	0%	0%	0%
Property Insurance	0%	0%	0%	0%	0%
Utilities	0%	0%	0%	0%	0%
Cleaning	0%	0%	0%	0%	0%
Business Insurance	0%	0%	0%	0%	0%
IT & Subscriptions (POS and Software)	2%	1%	1%	1%	1%
Cash Handling Fees	1%	1%	1%	1%	1%
Accounting	1%	1%	1%	1%	1%
Legal & Consulting	0%	0%	0%	0%	0%
Internet & Cellular	0%	0%	0%	0%	0%
Web Development, Hosting & Branding	0%	0%	0%	0%	0%
Security	4%	4%	4%	4%	4%
Licensing Costs	1%	1%	1%	1%	1%
Depreciation	1%	1%	1%	1%	1%
Office Supplies	0%	0%	0%	0%	0%
Delivery Payroll - Dispatchers	2%	2%	2%	2%	2%
Delivery Payroll - Drivers	2%	2%	2%	2%	2%
Dispensary Payroll - Shift Supervisors	3%	3%	3%	3%	3%
Dispensary Payroll - Budtenders & Cashiers	7%	6%	6%	6%	6%
Management Payroll	2%	1%	1%	1%	1%
Payroll Tax	1%	1%	1%	1%	1%
Local Cannabis Tax	6%	4%	4%	4%	4%
Operating Expenses	55%	32%	32%	29%	28%

PRE-TAX INCOME (EBIT)

PRE-TAX INCOME (EBIT)	\$ 1,711,156	\$ 2,952,529	\$ 3,107,283	\$ 3,366,838	\$ 3,727,773
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PRE-TAX INCOME (EBIT)

PRE-TAX INCOME (EBIT)	\$ 1,711,156	\$ 2,952,529	\$ 3,107,283	\$ 3,366,838	\$ 3,727,773
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Taxes

	2019	2020	2021	2022	2023
Rent	\$ 12,764	\$ 52,164	\$ 73,645	\$ 114,245	\$ 149,415
Payroll - Adjusted for 2020 Planning	\$ 248,262	\$ 334,710	\$ 396,713	\$ 454,963	\$ 523,203
Taxes	\$ 261,026	\$ 386,874	\$ 470,358	\$ 569,208	\$ 672,618

Taxes

Taxes	\$ 261,026	\$ 386,874	\$ 470,358	\$ 569,208	\$ 672,618
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Element 7 Capital Dispenser

PROJECTED BALANCE SHEET

	2017	2018	2019	2020	2021	2022
Cash	\$ -	\$ 488,334	\$ 843,779	\$ 1,390,111	\$ 2,230,188	\$ 3,376,399
Inventory	\$ -	\$ 142,677	\$ 165,168	\$ 177,409	\$ 204,980	\$ -
Current Assets	\$ -	\$ 631,012	\$ 1,008,947	\$ 1,567,520	\$ 2,435,168	\$ 3,376,399
Equipment (Gross)	\$ -	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
Leashold Improvements (Gross)	\$ -	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Buildings (Gross)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ (37,857)	\$ (75,714)	\$ (113,571)	\$ (151,429)	\$ (189,286)
Fixed Assets	\$ -	\$ 87,143	\$ 49,286	\$ 111,429	\$ 273,571	\$ 435,714
Accounts Payable	\$ -	\$ 71,339	\$ 82,584	\$ 88,705	\$ 102,490	\$ -
Tax Payable	\$ -	\$ 261,026	\$ 386,363	\$ 476,357	\$ 569,208	\$ 661,716
Current Liabilities	\$ -	\$ 332,365	\$ 468,948	\$ 565,062	\$ 671,698	\$ 661,716
Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Longterm Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Paid in Capital	\$ -	\$ 850,000	\$ 850,000	\$ 850,000	\$ 850,000	\$ 850,000
Retained Earnings	\$ -	\$ -	\$ (164,210)	\$ 39,286	\$ 463,887	\$ 1,187,042
Current Earnings	\$ -	\$ (164,210)	\$ 203,495	\$ 424,601	\$ 723,195	\$ 915,356
Equity	\$ -	\$ 685,790	\$ 686,286	\$ 1,313,887	\$ 2,037,042	\$ 2,952,397
Check	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PROJECTED CASH FLOW STATEMENT

Operating Cash Flows										
Net Income (Loss)	\$	(164,210)	\$	203,496	\$	424,601	\$	723,155	\$	915,356
Depreciation	\$	37,857	\$	37,857	\$	37,857	\$	37,857	\$	37,857
Change in Non-Cash Working Capital	\$	189,687	\$	114,091	\$	83,874	\$	79,069	\$	194,998
Change in Inventory	\$	(142,677)	\$	(22,490)	\$	(12,242)	\$	(27,571)	\$	204,980
Change in Accounts Payable	\$	71,339	\$	11,245	\$	6,121	\$	13,785	\$	(102,490)
Change in Tax Payable	\$	261,026	\$	125,337	\$	89,995	\$	92,850	\$	92,508
Net Operating Cash Flow	\$	63,334	\$	355,445	\$	546,332	\$	840,077	\$	1,148,211
Investing Cash Flows										
Capital Expenditures	\$	(425,000)	\$	-	\$	-	\$	-	\$	-
Net Investing Cash Flow	\$	(425,000)	\$	-	\$	-	\$	-	\$	-
Financing Cash Flows										
Investment	\$	850,000	\$	-	\$	-	\$	-	\$	-
Loan Repayment	\$	-	\$	-	\$	-	\$	-	\$	-
Net Financing Cash Flow	\$	850,000	\$	-	\$	-	\$	-	\$	-
Net Change in Cash	\$	488,334	\$	955,445	\$	546,332	\$	840,077	\$	1,148,211
Cash Balance at the Beginning of the Period	\$	-	\$	488,334	\$	845,779	\$	1,390,111	\$	2,230,188
Cash Balance at the End of the Period	\$	488,334	\$	1,443,779	\$	1,392,111	\$	2,230,188	\$	3,378,399

PROJECTED STATEMENT OF CHANGES IN OWNERS' EQUITY

	Year 1	Year 2	Year 3	Year 4	Year 5
Equity at the Beginning of the Period	\$ -	\$ 685,790	\$ 889,286	\$ 1,313,887	\$ 2,037,042
Net Income (Loss)	\$ (164,210)	\$ 203,496	\$ 424,601	\$ 723,155	\$ 915,356
Owner's / Investor Contribution	\$ 850,000	\$ -	\$ -	\$ -	\$ -
Dividend	\$ -	\$ -	\$ -	\$ -	\$ -
Equity at the End of the Period	\$ 685,790	\$ 889,286	\$ 1,313,887	\$ 2,037,042	\$ 2,952,397

USES OF FUNDS	
Item	Total
Permits	\$ 40,000
Website (Cost per Month)	\$ 833
Working Capital	\$ 384,167
Repayment of Loans	\$
Equipment & Furniture	\$ 125,000
Leashold Improvements	\$ 300,000
Buildings	\$
TOTAL	\$ 850,000
SOURCES OF FUNDS	
<i>Investment</i>	\$ 850,000
TOTAL	\$ 850,000

PROJECT/INITIAL INVESTMENT
Project Cash Flows

Long Term Growth Rate	2.00%
Required Rate of Return (Discount Rate)	20.00%

Cash Flows	Investment	0	1	2	3	4	5
Free Cash Flow	(\$850,000)	\$ (361,666)	\$ 355,445	\$ 546,392	\$ 840,077	\$ 1,148,211	
Cumulative Free Cash Flow		\$ (361,666)	\$ (6,221)	\$ 540,111	\$ 1,380,188	\$ 2,528,399	
Present Value of Free Cash Flow		\$ (301,388)	\$ 246,837	\$ 316,164	\$ 405,130	\$ 461,440	
Cumulative Discounted Free Cash Flow		\$ (301,388)	\$ (54,551)	\$ 261,613	\$ 666,743	\$ 1,128,183	

Discounted Residual Value	\$ 2,614,828
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Residual Value	\$ 6,506,529
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Payback Period (Years)	2.01
Discounted Payback Period (Years)	2.17
Internal Rate of Return (IRR)	27.74%
Profitability Index	\$1.3273
Net Present Value (NPV) Without Residual Value	\$ 1,128,183
Net Present Value (NPV) With Residual Value	\$ 3,743,011

Years:	2	Months:	0
Years:	2	Months:	2

Cash Conversion Cycle
 AP: Year 1 up front and then 15 days later
 Inventory: 60 days

Dispensary Growth Rate (Monthly)	2.0%
Delivery Growth Rate (Monthly)	2.0%

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10
Dispensary Customers per Day	79	77	74	80	81	86	84	88	88	90
Delivery Customers per Day	50	51	52	53	54	56	57	59	59	60
Average Retail Size \$ DD	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Excise Tax Collected	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00
Revenue per Day	\$8,823.00	\$9,797.50	\$8,074.45	\$9,382.02	\$9,315.88	\$9,822.70	\$9,711.14	\$9,987.41	\$10,105.38	\$10,307.67
Revenue per Month	\$258,750.00	\$444,815.40	\$289,203.50	\$274,587.87	\$280,076.37	\$296,669.91	\$291,394.53	\$292,221.42	\$301,666.86	\$309,280.40

Flower	54,000	55,040	56,182	57,305	58,451.34	59,620.58	60,812.77	62,029.03	63,269.61	64,536.00
Concentrates	48,700	48,064	46,549	46,844	46,791	47,896	48,950	49,023	50,616	51,988
Edibles	17,550	17,901	18,259	18,614	18,977	19,347	19,724	20,107	20,494	20,887
Topicals	6,750	6,845	7,013	7,163	7,306	7,454	7,601	7,747	7,894	8,040
Accessories	13,500	13,777	14,045	14,316	14,611	14,905	15,203	15,507	15,817	16,134
Dispensary Revenues	190,000	197,700	190,454	191,841	190,814	192,953	192,032	195,071	198,174	201,937
Flower	16,000	16,170	16,454	16,701	16,968	17,247	17,531	17,821	18,116	18,416
Concentrates	14,800	14,576	14,164	14,564	14,576	15,129	15,423	15,614	15,714	15,823
Edibles	11,200	11,324	11,574	11,761	11,964	12,181	12,411	12,654	12,911	13,181
Topicals	4,500	4,560	4,681	4,779	4,871	4,968	5,061	5,150	5,237	5,324
Accessories	9,000	9,189	9,354	9,521	9,741	9,937	10,139	10,346	10,549	10,746
Delivery Revenues	80,000	81,600	81,634	85,560	87,870	89,367	90,133	90,881	92,649	94,750
In-Store Advertising / Listing / Promotional Revenue	20000	20000	20000	20000	20000	20000	20000	20000	20000	20000

Total Revenue (Monthly)	745,000	749,500	754,000	759,777	765,547	771,418	777,387	783,456	789,631	795,936
Annual Revenue										
Flower	27,000	27,340	28,091	28,654	29,216	29,810	30,406	31,015	31,645	32,287
Concentrates	21,600	20,032	18,271	18,912	18,884	19,848	20,130	20,423	20,808	21,184
Edibles	8,775	8,965	9,134	9,312	9,496	9,686	9,881	10,080	10,281	10,487
Topicals	3,375	3,441	3,511	3,582	3,654	3,729	3,807	3,887	3,968	4,051
Accessories	6,750	6,885	7,023	7,163	7,306	7,454	7,601	7,747	7,894	8,040
Dispensary COGS	47,500.00	48,450.00	49,827.00	51,633.50	51,664.19	54,925.45	56,014.00	57,326.87	58,878.01	60,664.75
Flower	16,000	16,170	16,454	16,701	16,968	17,247	17,531	17,821	18,116	18,416
Concentrates	14,400	14,064	13,492	13,814	13,781	14,527	14,687	14,848	15,011	15,176
Edibles	5,850	5,967	6,086	6,208	6,331	6,456	6,584	6,714	6,846	6,981
Topicals	2,250	2,295	2,344	2,398	2,454	2,511	2,569	2,628	2,687	2,746
Accessories	4,000	4,090	4,281	4,275	4,871	4,958	5,048	5,140	5,237	5,328
Delivery COGS	45,000.00	45,600.00	46,814.00	47,754.34	48,708.44	49,685.44	50,671.91	51,676.87	52,701.67	53,747.17
Excise Tax	44,750	48,475	35,114	35,816	36,613	37,461	38,308	39,208	40,144	40,114

Total COGS	\$ 146,250.00	\$ 149,175.00	\$ 152,159.50	\$ 155,301.84	\$ 158,309.70	\$ 161,473.82	\$ 164,701.35	\$ 168,095.28	\$ 171,554.16	\$ 175,179.25
Operating Margin (OPM)	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Marketing / Promotions	20,000	22,250.00	23,475.00	24,704.50	25,938.50	27,177.33	28,420.91	29,669.29	30,922.71	32,181.17
Rent	21,000	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00
Property Tax										
Property Insurance	800	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
Utilities	9,000	1,032.00	1,032.00	1,032.00	1,032.00	1,032.00	1,032.00	1,032.00	1,032.00	1,032.00
Cleaning	1,200	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00
Business Insurance	1,700	1,700.00	1,700.00	1,700.00	1,700.00	1,700.00	1,700.00	1,700.00	1,700.00	1,700.00
Class & Subscriptions (POS and software)	9,200	4,600.00	4,600.00	4,600.00	4,600.00	4,600.00	4,600.00	4,600.00	4,600.00	4,600.00
Cash Handling Fees	1,800.00	1,836.00	1,872.00	1,908.00	1,944.00	1,980.00	2,016.00	2,052.00	2,088.00	2,124.00
Accounting	4,000	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Legal & Consulting	2,000	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Interest & Expense	1,000	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
Web Development, Hosting & Branding	5,000	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33
Security	15,740.00	15,740.00	15,740.00	15,740.00	15,740.00	15,740.00	15,740.00	15,740.00	15,740.00	15,740.00
Licensing Costs	40,000.00									
Depreciation	3,154.76	3,154.76	3,154.76	3,154.76	3,154.76	3,154.76	3,154.76	3,154.76	3,154.76	3,154.76
Office Supplies	500	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
Delivery Payroll - Drivers	2,880	5,760.00	5,760.00	5,760.00	5,760.00	5,760.00	5,760.00	5,760.00	5,760.00	5,760.00
Delivery Payroll - Dispatchers	2,880	5,760.00	5,760.00	5,760.00	5,760.00	5,760.00	5,760.00	5,760.00	5,760.00	5,760.00
Dispensary Payroll - Staff Supervisors	3,040	7,600.00	7,600.00	7,600.00	7,600.00	7,600.00	7,600.00	7,600.00	7,600.00	7,600.00
Dispensary Payroll - Budtenders & Conierge	7,200	15,040.00	15,040.00	15,040.00	15,040.00	15,040.00	15,040.00	15,040.00	15,040.00	15,040.00
Management Payroll	14,400	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00
Payroll Tax	2,854	7,617.00	7,617.00	7,617.00	7,617.00	7,617.00	7,617.00	7,617.00	7,617.00	7,617.00
Local Carnation Tax	11,250.00	11,250.00	11,250.00	11,250.00	11,250.00	11,250.00	11,250.00	11,250.00	11,250.00	11,250.00

Total Operating Expenses	106,876	183,287.10	182,789.70	183,279.42	183,785.05	188,000.40	194,828.88	199,393.54	206,910.76	207,461.01
Pre Tax Income	43,720	(43,720)	(43,720)	(43,720)	(43,720)	(43,720)	(43,720)	(43,720)	(43,720)	(43,720)
Taxes										
State	0									
Federal - Adjusted for R&E Planning	0	18,607.50	18,118.25	18,475.67	19,019.75	19,370.72	19,728.74	18,568.41	21,999.59	22,318.52
Net Income	43,720	(43,720)	(43,720)	(43,720)	(43,720)	(43,720)	(43,720)	(43,720)	(43,720)	(43,720)
Account Payable										
Beginning AP										
Ending AP										
Change										
Inventory										
Beginning Inventory	114,750.00	117,045.00	118,265.90	121,773.61	124,209.09	126,693.27	129,227.14	131,811.68	134,447.91	137,136.67
Ending Inventory	114,750.00	117,045.00	118,265.90	121,773.61	124,209.09	126,693.27	129,227.14	131,811.68	134,447.91	137,136.67
Change	0	0	0	0	0	0	0	0	0	0
Pre Payable										
Beginning Pre Payable										
Ending Pre Payable										
Change										
Operating Cash Flow	175,420	175,420	175,420	175,420	175,420	175,420	175,420	175,420	175,420	175,420
Beginning Cash		163,000.00	163,000.00	163,000.00	163,000.00	163,000.00	163,000.00	163,000.00	163,000.00	163,000.00
Interest	850,000.00									
Capital Expenditures	(175,000.00)									
Debt Repayment										
Ending Cash	163,000.00	163,000.00	163,000.00	163,000.00	163,000.00	163,000.00	163,000.00	163,000.00	163,000.00	163,000.00
Annual Revenue Run Rate	2,940,000.00	2,994,000.00	2,949,000.00	2,903,761.00	2,958,366.83	3,221,010.17	2,120,000.00	2,994,000.00	3,049,480.33	3,704,700.00

Dispenary Growth Rate (Monthly)	1.0%
Delivery Growth Rate (Monthly)	1.0%

Month 11	Month 12	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13
91	92	93	94	95	96	97	98	99	100	101	102	103	104	105
500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
59.00	59.00	59.00	59.00	59.00	59.00	59.00	59.00	59.00	59.00	59.00	59.00	59.00	59.00	59.00
510,513.83	510,734.10	510,958.59	511,157.46	511,380.50	511,628.13	511,890.78	512,168.87	512,462.83	512,773.21	513,099.57	513,442.48	513,802.51	514,180.34	514,575.67
\$918,454.61	\$918,723.70	\$919,000.56	\$919,286.72	\$919,581.81	\$919,886.41	\$920,199.23	\$920,520.01	\$920,848.48	\$921,185.40	\$921,530.55	\$921,883.71	\$922,244.69	\$922,613.32	\$922,989.43
65,825.70	67,192.11	68,685.04	69,854.78	71,251.03	72,674.83	74,126.13	75,604.24	77,108.60	78,640.61	80,199.89	81,786.97	83,402.34	85,047.51	86,723.07
47,681	49,214	50,784.26	52,385.83	53,824.29	55,304.36	56,728.68	58,199.89	59,710.57	61,263.40	62,859.95	64,491.88	66,161.88	67,872.64	69,616.84
21,329	21,871	22,425.84	22,993.80	23,575.00	24,169.89	24,778.80	25,391.17	26,007.45	26,636.99	27,279.26	27,934.60	28,603.47	29,285.35	29,980.73
8,228	8,494	8,760.53	9,027.44	9,294.46	9,561.93	9,829.29	10,096.80	10,364.69	10,632.20	10,899.58	11,166.96	11,434.56	11,702.42	11,970.59
18,656	18,788	17,113.28	17,485.89	17,812.06	18,169.22	18,532.61	18,902.26	19,288.22	19,680.57	20,080.38	20,487.82	20,903.05	21,326.25	21,757.61
169,384	167,856	177,319	174,637	174,330	181,692	185,328	189,098	192,979	196,950	201,013	205,161	209,396	213,720	218,135
41,884	44,781	45,650.70	46,989.84	47,501.24	48,461.26	49,420.23	50,408.05	51,416.64	52,445.10	53,494.44	54,564.67	55,655.78	56,768.88	57,903.97
39,707	39,809	37,233.87	38,036.90	38,630.90	38,761.01	38,761.01	38,761.01	38,761.01	38,761.01	38,761.01	38,761.01	38,761.01	38,761.01	38,761.01
14,282	14,547	14,818.63	15,105.20	15,395.30	15,748.46	16,101.54	16,454.64	16,807.78	17,160.97	17,514.22	17,867.54	18,220.94	18,574.42	18,927.99
5,485	5,595	5,707.00	5,811.79	5,921.55	6,025.41	6,123.49	6,215.90	6,302.74	6,384.13	6,460.18	6,530.99	6,596.57	6,656.94	6,712.11
10,871	11,139	11,414.18	11,842.46	12,375.21	12,712.82	13,054.17	13,400.22	13,751.02	14,106.61	14,467.04	14,832.36	15,202.61	15,577.84	15,958.11
109,309	111,904	114,143	116,423	118,754	121,128	123,551	126,022	128,542	131,112	133,733	136,405	139,129	141,906	144,736
40000	40000	40000	40000	40000	40000	40000	40000	40000	40000	40000	40000	40000	40000	40000
\$24,274	\$18,758	\$49,334	\$51,061	\$54,888	\$58,820	\$62,877	\$67,064	\$71,383	\$75,837	\$80,420	\$85,135	\$89,985	\$94,974	\$100,106
32,932	33,271	34,041	34,927	35,616	36,238	37,065	37,967	38,924	39,937	41,007	42,135	43,322	44,569	45,878
26,330	26,857	27,294	27,924	28,501	29,071	29,693	30,287	30,953	31,693	32,509	33,404	34,379	35,436	36,578
10,087	10,411	11,139	11,811	12,411	12,944	13,511	14,114	14,754	15,432	16,149	16,907	17,707	18,551	19,441
4,314	4,356	4,289	4,366	4,451	4,542	4,639	4,732	4,829	4,929	5,032	5,139	5,250	5,364	5,481
2,218	2,323	2,501	2,737	3,009	3,285	3,566	3,852	4,144	4,442	4,746	5,056	5,372	5,694	6,022
\$7,484.11	\$7,527.77	\$7,566.81	\$7,611.81	\$7,663.41	\$7,721.31	\$7,785.24	\$7,855.05	\$7,930.59	\$8,011.74	\$8,100.41	\$8,196.51	\$8,299.98	\$8,410.78	\$8,528.88
21,042	21,361	21,828	22,395	23,125	24,028	25,130	26,448	28,098	29,998	32,167	34,624	37,391	40,481	43,921
17,564	17,905	18,264	18,628	19,000	19,381	19,768	20,162	20,563	20,970	21,384	21,804	22,230	22,662	23,100
7,121	7,274	7,419	7,568	7,719	7,871	8,024	8,178	8,334	8,491	8,649	8,808	8,968	9,129	9,291
2,741	2,798	2,854	2,911	2,969	3,028	3,088	3,149	3,211	3,274	3,338	3,403	3,469	3,536	3,604
5,485	5,505	5,527	5,531	5,518	5,506	5,486	5,468	5,451	5,435	5,420	5,406	5,393	5,381	5,370
\$4,834.78	\$5,893.84	\$7,027.48	\$8,212.30	\$9,376.44	\$10,548.08	\$11,727.30	\$12,913.66	\$14,106.84	\$15,306.46	\$16,512.16	\$17,723.59	\$18,940.41	\$20,163.28	\$21,391.86
\$1,151	\$1,024	\$2,481	\$3,029	\$4,531	\$6,073	\$7,658	\$9,287	\$10,963	\$12,687	\$14,461	\$16,286	\$18,162	\$20,090	\$22,071
\$ 278,277.53	\$ 381,843.40	\$ 498,400.16	\$ 629,189.07	\$ 776,979.77	\$ 943,532.34	\$ 1,130,769.81	\$ 1,340,769.81	\$ 1,577,611.31	\$ 1,843,356.31	\$ 2,139,070.81	\$ 2,465,820.81	\$ 2,823,660.81	\$ 3,213,660.81	\$ 3,635,940.81
\$ 214,889.81	\$ 271,918.78	\$ 340,876.04	\$ 423,871.32	\$ 525,902.05	\$ 651,987.17	\$ 807,148.97	\$ 987,506.97	\$ 1,197,219.31	\$ 1,441,356.31	\$ 1,725,070.81	\$ 2,053,420.81	\$ 2,431,376.31	\$ 2,865,940.81	\$ 3,362,260.81
48%	43%	36%	28%	18%	7%	-2%	-7%	-13%	-19%	-26%	-33%	-40%	-47%	-54%
\$ 15,713.08	\$ 15,827.96	\$ 17,207.71	\$ 17,951.07	\$ 17,448.14	\$ 16,141.02	\$ 14,641.84	\$ 12,952.72	\$ 12,007.77	\$ 10,829.13	\$ 9,816.91	\$ 8,941.91	\$ 8,194.91	\$ 7,554.34	\$ 7,012.27
\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00
\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
\$ 1,023.00	\$ 1,013.00	\$ 1,013.00	\$ 1,013.00	\$ 1,013.00	\$ 1,013.00	\$ 1,013.00	\$ 1,013.00	\$ 1,013.00	\$ 1,013.00	\$ 1,013.00	\$ 1,013.00	\$ 1,013.00	\$ 1,013.00	\$ 1,013.00
\$ 1,306.00	\$ 1,293.00	\$ 1,293.00	\$ 1,293.00	\$ 1,293.00	\$ 1,293.00	\$ 1,293.00	\$ 1,293.00	\$ 1,293.00	\$ 1,293.00	\$ 1,293.00	\$ 1,293.00	\$ 1,293.00	\$ 1,293.00	\$ 1,293.00
\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00
\$ 4,600.00	\$ 4,600.00	\$ 4,600.00	\$ 4,600.00	\$ 4,600.00	\$ 4,600.00	\$ 4,600.00	\$ 4,600.00	\$ 4,600.00	\$ 4,600.00	\$ 4,600.00	\$ 4,600.00	\$ 4,600.00	\$ 4,600.00	\$ 4,600.00
\$ 2,144.19	\$ 2,148.07	\$ 2,282.84	\$ 2,378.44	\$ 2,375.05	\$ 2,127.56	\$ 1,871.01	\$ 1,614.46	\$ 1,357.91	\$ 1,101.36	\$ 844.81	\$ 588.26	\$ 331.71	\$ 76.16	\$ -129.39
\$ 1,000.00	\$ 1,000.00	\$ 1,100.00	\$ 1,200.00	\$ 1,300.00	\$ 1,400.00	\$ 1,500.00	\$ 1,600.00	\$ 1,700.00	\$ 1,800.00	\$ 1,900.00	\$ 2,000.00	\$ 2,100.00	\$ 2,200.00	\$ 2,300.00
\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
\$ 424.33	\$ 411.31	\$ 325.00	\$ 255.00	\$ 185.00	\$ 115.00	\$ 45.00	\$ -25.00	\$ -95.00	\$ -165.00	\$ -235.00	\$ -305.00	\$ -375.00	\$ -445.00	\$ -515.00
\$ 15,700.00	\$ 15,740.00	\$ 16,527.00	\$ 16,927.00	\$ 16,927.00	\$ 16,927.00	\$ 16,927.00	\$ 16,927.00	\$ 16,927.00	\$ 16,927.00	\$ 16,927.00	\$ 16,927.00	\$ 16,927.00	\$ 16,927.00	\$ 16,927.00
\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76
\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00
\$ 4,780.00	\$ 4,780.00	\$ 4,780.00	\$ 4,780.00	\$ 4,780.00	\$ 4,780.00	\$ 4,780.00	\$ 4,780.00	\$ 4,780.00	\$ 4,780.00	\$ 4,780.00	\$ 4,780.00	\$ 4,780.00	\$ 4,780.00	\$ 4,780.00
\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 5,760.00
\$ 7,048.00	\$ 7,048.00	\$ 7,048.00	\$ 7,048.00	\$ 7,048.00	\$ 7,048.00	\$ 7,048.00	\$ 7,048.00	\$ 7,048.00	\$ 7,048.00	\$ 7,048.00	\$ 7,048.00	\$ 7,048.00	\$ 7,048.00	\$ 7,048.00
\$ 15,040.00	\$ 15,040.00	\$ 15,040.00	\$ 15,040.00	\$ 15,040.00	\$ 15,040.00	\$ 15,040.00	\$ 15,040.00	\$ 15,040.00	\$ 15,040.00	\$ 15,040.00	\$ 15,040.00	\$ 15,040.00	\$ 15,040.00	\$ 15,040.00
\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00
\$ 2,037.60	\$ 2,037.60	\$ 2,037.60	\$ 2,037.60	\$ 2,037.60	\$ 2,037.60	\$ 2,037.60	\$ 2,037.60	\$ 2,037.60	\$ 2,037.60	\$ 2,037.60	\$ 2,037.60	\$ 2,037.60	\$ 2,037.60	\$ 2,037.60
\$ 11,713.04	\$ 11,987.08	\$ 14,207.72	\$ 14,551.67	\$ 14,844.14	\$ 15,141.02	\$ 15,441.84	\$ 15,746.72	\$ 16,056.77	\$ 16,372.07	\$ 16,692.61	\$ 17,018.39	\$ 17,349.41	\$ 17,685.67	\$ 18,027.

Operational Growth Rate (Monthly)	1.0%
Delivery Growth Rate (Monthly)	1.5%

	Year 3										
Month 12	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11
114	119	124	129	134	139	144	149	154	159	164	169
560.00	560.00	560.00	560.00	560.00	560.00	560.00	560.00	560.00	560.00	560.00	560.00
\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00
\$13,400.78	\$13,763.27	\$14,127.11	\$14,492.33	\$14,858.94	\$15,226.94	\$15,596.34	\$15,967.14	\$16,339.34	\$16,713.04	\$17,088.24	\$17,464.94
\$408,023.64	\$413,928.94	\$419,834.24	\$425,739.54	\$431,644.84	\$437,550.14	\$443,455.44	\$449,360.74	\$455,266.04	\$461,171.34	\$467,076.64	\$472,981.94
85,131.56	84,004.09	82,876.62	81,749.15	80,621.68	79,494.21	78,366.74	77,239.27	76,111.80	74,984.33	73,856.86	72,729.39
68,122.05	68,003.27	67,884.49	67,765.71	67,646.93	67,528.15	67,409.37	67,290.59	67,171.81	67,053.03	66,934.25	66,815.47
17,474.98	17,355.13	17,235.28	17,115.43	17,000.58	16,885.73	16,770.88	16,656.03	16,541.18	16,426.33	16,311.48	16,196.63
10,444.07	10,750.51	11,057.95	11,365.39	11,672.83	11,980.27	12,287.71	12,595.15	12,902.59	13,210.03	13,517.47	13,824.91
21,284.14	21,501.07	21,718.00	21,934.93	22,151.86	22,368.79	22,585.72	22,802.65	23,019.58	23,236.51	23,453.44	23,670.37
412.883	415,010	417,137	419,264	421,391	423,518	425,645	427,772	429,899	432,026	434,153	436,280
56,788.37	57,416.96	58,045.55	58,674.14	59,302.73	59,931.32	60,559.91	61,188.50	61,817.09	62,445.68	63,074.27	63,702.86
46,893.27	46,775.92	46,658.57	46,541.22	46,423.87	46,306.52	46,189.17	46,071.82	45,954.47	45,837.12	45,719.77	45,602.42
18,448.12	18,226.47	18,004.82	17,783.17	17,561.52	17,339.87	17,118.22	16,896.57	16,674.92	16,453.27	16,231.62	16,010.01
7,095.05	7,103.49	7,111.93	7,120.37	7,128.81	7,137.25	7,145.69	7,154.13	7,162.57	7,171.01	7,179.45	7,187.89
14,192.00	14,400.00	14,608.00	14,816.00	15,024.00	15,232.00	15,440.00	15,648.00	15,856.00	16,064.00	16,272.00	16,480.00
142,491	144,050	145,610	147,170	148,730	150,290	151,850	153,410	154,970	156,530	158,090	159,650
60000	60000	60000	60000	60000	60000	60000	60000	60000	60000	60000	60000
414,902	415,000	415,097	415,195	415,293	415,391	415,489	415,587	415,685	415,783	415,881	415,979
4,147,329	4,147,329	4,147,329	4,147,329	4,147,329	4,147,329	4,147,329	4,147,329	4,147,329	4,147,329	4,147,329	4,147,329
41,576	36,124	30,672	25,220	19,768	14,316	8,864	3,412	-1,140	-6,688	-12,236	-17,784
16,061	10,570	5,080	-4,410	-8,900	-13,390	-17,880	-22,370	-26,860	-31,350	-35,840	-40,330
13,827	14,476	15,125	15,774	16,423	17,072	17,721	18,370	19,019	19,668	20,317	20,966
5,122	5,370	5,618	5,866	6,114	6,362	6,610	6,858	7,106	7,354	7,602	7,850
10,677	10,755	10,833	10,911	10,989	11,067	11,145	11,223	11,301	11,379	11,457	11,535
106,440.70	96,360.70	86,280.70	76,200.70	66,120.70	56,040.70	45,960.70	35,880.70	25,800.70	15,720.70	5,640.70	-4,440.70
38,344	25,809	13,274	7,722	2,170	-3,382	-7,934	-12,486	-17,038	-21,590	-26,142	-30,694
22,707	19,447	16,187	12,927	9,667	6,407	3,147	-1,113	-4,373	-7,633	-10,893	-14,153
9,225	6,164	3,103	854	-806	-1,666	-2,526	-3,386	-4,246	-5,106	-5,966	-6,826
3,748	3,601	3,454	3,307	3,160	3,013	2,866	2,719	2,572	2,425	2,278	2,131
7,079	7,702	8,325	8,948	9,571	10,194	10,817	11,440	12,063	12,686	13,309	13,932
70,860.49	66,268.88	61,677.27	57,085.66	52,494.05	47,902.44	43,310.83	38,719.22	34,127.61	29,536.00	24,944.39	20,352.78
53,210	51,059	48,908	46,757	44,606	42,455	40,304	38,153	36,002	33,851	31,700	29,549
\$ 166,471.97	\$ 219,018.38	\$ 271,564.79	\$ 324,111.20	\$ 376,657.61	\$ 429,204.02	\$ 481,750.43	\$ 534,296.84	\$ 586,843.25	\$ 639,389.66	\$ 691,936.07	\$ 744,482.48
\$ 164,180.81	\$ 206,727.22	\$ 259,273.63	\$ 311,820.04	\$ 364,366.45	\$ 416,912.86	\$ 469,459.27	\$ 522,005.68	\$ 574,552.09	\$ 627,098.50	\$ 679,644.91	\$ 732,191.32
46%	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%
\$ 20,740.12	\$ 21,353.00	\$ 21,966.87	\$ 22,580.74	\$ 23,194.61	\$ 23,808.48	\$ 24,422.35	\$ 25,036.22	\$ 25,650.09	\$ 26,263.96	\$ 26,877.83	\$ 27,491.70
\$ 3,780.00	\$ 3,780.00	\$ 3,780.00	\$ 3,780.00	\$ 3,780.00	\$ 3,780.00	\$ 3,780.00	\$ 3,780.00	\$ 3,780.00	\$ 3,780.00	\$ 3,780.00	\$ 3,780.00
\$ 17,960.12	\$ 17,573.00	\$ 18,186.87	\$ 18,799.74	\$ 19,412.61	\$ 20,025.48	\$ 20,638.35	\$ 21,251.22	\$ 21,864.09	\$ 22,476.96	\$ 23,089.83	\$ 23,702.70
\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00
\$ 1,730.00	\$ 1,730.00	\$ 1,730.00	\$ 1,730.00	\$ 1,730.00	\$ 1,730.00	\$ 1,730.00	\$ 1,730.00	\$ 1,730.00	\$ 1,730.00	\$ 1,730.00	\$ 1,730.00
\$ 4,850.00	\$ 5,071.50	\$ 5,293.00	\$ 5,514.50	\$ 5,736.00	\$ 5,957.50	\$ 6,179.00	\$ 6,400.50	\$ 6,622.00	\$ 6,843.50	\$ 7,065.00	\$ 7,286.50
\$ 7,830.42	\$ 7,830.42	\$ 7,830.42	\$ 7,830.42	\$ 7,830.42	\$ 7,830.42	\$ 7,830.42	\$ 7,830.42	\$ 7,830.42	\$ 7,830.42	\$ 7,830.42	\$ 7,830.42
\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00
\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00
\$ 375.00	\$ 375.00	\$ 375.00	\$ 375.00	\$ 375.00	\$ 375.00	\$ 375.00	\$ 375.00	\$ 375.00	\$ 375.00	\$ 375.00	\$ 375.00
\$ 875.00	\$ 875.00	\$ 875.00	\$ 875.00	\$ 875.00	\$ 875.00	\$ 875.00	\$ 875.00	\$ 875.00	\$ 875.00	\$ 875.00	\$ 875.00
\$ 16,517.00	\$ 17,353.25	\$ 18,189.50	\$ 19,025.75	\$ 19,862.00	\$ 20,698.25	\$ 21,534.50	\$ 22,370.75	\$ 23,207.00	\$ 24,043.25	\$ 24,879.50	\$ 25,715.75
\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76	\$ 3,154.76
\$ 762.50	\$ 762.50	\$ 762.50	\$ 762.50	\$ 762.50	\$ 762.50	\$ 762.50	\$ 762.50	\$ 762.50	\$ 762.50	\$ 762.50	\$ 762.50
\$ 6,048.00	\$ 6,048.00	\$ 6,048.00	\$ 6,048.00	\$ 6,048.00	\$ 6,048.00	\$ 6,048.00	\$ 6,048.00	\$ 6,048.00	\$ 6,048.00	\$ 6,048.00	\$ 6,048.00
\$ 6,048.00	\$ 6,048.00	\$ 6,048.00	\$ 6,048.00	\$ 6,048.00	\$ 6,048.00	\$ 6,048.00	\$ 6,048.00	\$ 6,048.00	\$ 6,048.00	\$ 6,048.00	\$ 6,048.00
\$ 7,712.00	\$ 7,712.00	\$ 7,712.00	\$ 7,712.00	\$ 7,712.00	\$ 7,712.00	\$ 7,712.00	\$ 7,712.00	\$ 7,712.00	\$ 7,712.00	\$ 7,712.00	\$ 7,712.00
\$ 15,782.00	\$ 16,790.00	\$ 17,798.00	\$ 18,806.00	\$ 19,814.00	\$ 20,822.00	\$ 21,830.00	\$ 22,838.00	\$ 23,846.00	\$ 24,854.00	\$ 25,862.00	\$ 26,870.00
\$ 6,040.00	\$ 6,040.00	\$ 6,040.00	\$ 6,040.00	\$ 6,040.00	\$ 6,040.00	\$ 6,040.00	\$ 6,040.00	\$ 6,040.00	\$ 6,040.00	\$ 6,040.00	\$ 6,040.00
\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00
\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00
\$ 17,740.11	\$ 17,653.00	\$ 17,566.87	\$ 17,480.74	\$ 17,394.61	\$ 17,308.48	\$ 17,222.35	\$ 17,136.22	\$ 17,050.09	\$ 16,963.96	\$ 16,877.83	\$ 16,791.70
\$ 174,066.88	\$ 171,484.67	\$ 168,902.46	\$ 166,320.25	\$ 163,738.04	\$ 161,155.83	\$ 158,573.62	\$ 155,991.41	\$ 153,409.20	\$ 150,827.00	\$ 148,244.79	\$ 145,662.58
\$ 50,099.82	\$ 51,648.71	\$ 53,197.60	\$ 54,746.49	\$ 56,295.38	\$ 57,844.27	\$ 59,393.16	\$ 60,942.05	\$ 62,490.94	\$ 64,039.83	\$ 65,588.72	\$ 67,137.61
\$ 4,428.82	\$ 4,428.82	\$ 4,428.82	\$ 4,428.82	\$ 4,428.82	\$ 4,428.82	\$ 4,428.82	\$ 4,428.82	\$ 4,428.82	\$ 4,428.82	\$ 4,428.82	\$ 4,428.82
\$ 10,487.97	\$ 10,487.97	\$ 10,487.97	\$ 10,487.97	\$ 10,487.97	\$ 10,487.97	\$ 10,487.97	\$ 10,487.97	\$ 10,487.97	\$ 10,487.97	\$ 10,487.97	\$ 10,487.97
\$ 15,183.03	\$ 15,183.03	\$ 15,183.03	\$ 15,183.03	\$ 15,183.03	\$ 15,183.03	\$ 15,183.03	\$ 15,183.03	\$ 15,183.03	\$ 15,183.03	\$ 15,183.03	\$ 15,183.03
\$ 103,456.37	\$ 103,456.37	\$ 103,456.37	\$ 103,456.37	\$ 103,456.37	\$ 103,456.37	\$ 103,456.37	\$ 103,456.37	\$ 103,456.37	\$ 103,456.37	\$ 103,456.37	\$ 103,456.37
\$ 88,300.98	\$ 82,883.79	\$ 77,466.60	\$ 72,049.41	\$ 66,632.22	\$ 61,215.03	\$ 55,797.84	\$ 50,380.65	\$ 44,963.46	\$ 39,546.27	\$ 34,129.08	\$ 28,711.89
\$ 87,583.79	\$ 82,175.79	\$ 76,767.79	\$ 71,359.79	\$ 65,951.79	\$ 60,543.79	\$ 55,135.79	\$ 49,727.79	\$ 44,319.79	\$ 38,911.79	\$ 33,503.79	\$ 28,095.79
\$ 6,116.79	\$ 6,116.79	\$ 6,116.79	\$ 6,116.79	\$ 6,116.79	\$ 6,116.79	\$ 6,116.79	\$ 6,116.79	\$ 6,116.79	\$ 6,116.79	\$ 6,116.79	\$ 6,116.79
\$ 17,401.17	\$ 185,107.58	\$ 187,150.57	\$ 189,193.56	\$ 191,236.55	\$ 193,279.54	\$ 195,322.53	\$ 197,365.52	\$ 199,408.51	\$ 201,451.50	\$ 203,494.49	\$ 205,537.48
\$ 105,267.58	\$ 102,150.57	\$ 99,033.									

Dispensary Growth Rate (Monthly)	1.00%
Delivery Growth Rate (Monthly)	1.50%

	Year 6											
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
153	153	153	158	158	158	158	161	161	164	168	168	169
\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00
\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
\$14,358.41	\$16,381.98	\$18,407.74	\$19,026.48	\$19,244.17	\$19,302.67	\$19,330.87	\$19,346.22	\$19,349.74	\$19,349.40	\$19,347.11	\$19,343.00	\$19,337.65
\$558,784.21	\$557,454.98	\$544,232.29	\$531,004.44	\$478,041.51	\$478,041.51	\$585,040.43	\$584,906.48	\$599,423.79	\$606,732.07	\$644,313.10	\$451,484.19	\$478,519.75
109,202.37	110,394.18	111,597.54	112,811.71	113,038.49	113,277.79	114,772.79	115,070.51	117,079.72	118,250.52	119,422.01	120,617.25	121,845.81
\$7,261.88	\$8,825.51	\$9,127.87	\$9,906.95	\$9,909.14	\$10,814.11	\$11,719.17	\$12,624.24	\$13,529.31	\$14,434.38	\$15,339.45	\$16,244.52	\$17,149.59
\$4,490.77	\$5,485.64	\$6,104.13	\$6,588.18	\$6,811.44	\$7,101.78	\$7,574.17	\$7,938.81	\$8,295.72	\$8,644.91	\$9,041.31	\$9,486.91	\$9,982.51
\$3,850.50	\$3,786.60	\$3,824.67	\$3,862.71	\$3,899.99	\$3,936.64	\$3,972.71	\$3,998.31	\$4,023.47	\$4,048.19	\$4,072.47	\$4,096.31	\$4,119.71
\$7,200.59	\$7,273.60	\$7,294.25	\$7,312.81	\$7,329.11	\$7,343.20	\$7,355.28	\$7,366.37	\$7,376.46	\$7,385.55	\$7,393.64	\$7,400.73	\$7,406.82
\$31,008	\$35,778	\$37,499	\$39,378	\$39,051	\$39,832	\$42,901	\$43,682	\$47,751	\$51,820	\$55,889	\$60,958	\$66,027
81,267.81	83,684.43	84,957.57	86,130.74	87,412.79	88,734.52	90,044.52	91,415.49	92,746.72	94,128.52	95,510.32	96,892.12	98,273.92
\$5,949.25	\$6,982.99	\$7,052.50	\$7,592.55	\$7,592.55	\$8,132.60	\$8,672.65	\$9,212.70	\$9,752.75	\$10,292.80	\$10,832.85	\$11,372.90	\$11,912.95
\$4,744.54	\$5,773.08	\$5,773.08	\$5,773.08	\$5,773.08	\$5,773.08	\$5,773.08	\$5,773.08	\$5,773.08	\$5,773.08	\$5,773.08	\$5,773.08	\$5,773.08
\$3,850.50	\$3,850.50	\$3,850.50	\$3,850.50	\$3,850.50	\$3,850.50	\$3,850.50	\$3,850.50	\$3,850.50	\$3,850.50	\$3,850.50	\$3,850.50	\$3,850.50
\$7,200.59	\$7,273.60	\$7,294.25	\$7,312.81	\$7,329.11	\$7,343.20	\$7,355.28	\$7,366.37	\$7,376.46	\$7,385.55	\$7,393.64	\$7,400.73	\$7,406.82
\$31,008	\$35,778	\$37,499	\$39,378	\$39,051	\$39,832	\$42,901	\$43,682	\$47,751	\$51,820	\$55,889	\$60,958	\$66,027
\$34,765	\$34,464	\$30,497	\$36,464	\$34,507	\$34,838	\$34,823	\$34,808	\$34,793	\$34,778	\$34,763	\$34,748	\$34,733
\$2,681	\$4,318	\$4,550	\$5,009	\$5,455	\$5,724	\$5,904	\$6,084	\$6,264	\$6,444	\$6,624	\$6,804	\$6,984
\$4,318	\$5,394	\$5,626	\$6,085	\$6,354	\$6,623	\$6,892	\$7,161	\$7,430	\$7,699	\$7,968	\$8,237	\$8,506
\$2,745	\$3,782	\$3,823	\$3,864	\$3,905	\$3,946	\$3,987	\$4,028	\$4,069	\$4,110	\$4,151	\$4,192	\$4,233
\$11,616.21	\$11,875.00	\$12,133.15	\$12,391.30	\$12,649.45	\$12,907.60	\$13,165.75	\$13,423.90	\$13,682.05	\$13,940.20	\$14,198.35	\$14,456.50	\$14,714.65
\$2,842	\$3,441	\$3,941	\$4,441	\$4,941	\$5,441	\$5,941	\$6,441	\$6,941	\$7,441	\$7,941	\$8,441	\$8,941
\$2,354	\$2,744	\$3,134	\$3,524	\$3,914	\$4,304	\$4,694	\$5,084	\$5,474	\$5,864	\$6,254	\$6,644	\$7,034
\$1,385	\$1,544	\$1,703	\$1,862	\$2,021	\$2,180	\$2,339	\$2,498	\$2,657	\$2,816	\$2,975	\$3,134	\$3,293
\$1,148	\$1,325	\$1,503	\$1,681	\$1,859	\$2,037	\$2,215	\$2,393	\$2,571	\$2,749	\$2,927	\$3,105	\$3,283
\$1,179	\$1,450	\$1,607	\$1,764	\$1,921	\$2,078	\$2,235	\$2,392	\$2,549	\$2,706	\$2,863	\$3,020	\$3,177
\$4,183.16	\$4,454.98	\$4,726.81	\$5,098.63	\$5,470.45	\$5,842.27	\$6,214.09	\$6,585.91	\$6,957.73	\$7,329.55	\$7,701.37	\$8,073.19	\$8,445.01
\$2,829	\$3,272	\$3,715	\$4,158	\$4,601	\$5,044	\$5,487	\$5,930	\$6,373	\$6,816	\$7,259	\$7,702	\$8,145
\$29,418.80	\$29,182.20	\$28,945.60	\$28,709.00	\$28,472.40	\$28,235.80	\$28,000.00	\$27,764.20	\$27,528.40	\$27,292.60	\$27,056.80	\$26,821.00	\$26,585.20
\$20,966.04	\$21,177.09	\$21,388.14	\$21,599.19	\$21,810.24	\$22,021.29	\$22,232.34	\$22,443.39	\$22,654.44	\$22,865.49	\$23,076.54	\$23,287.59	\$23,498.64
50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
\$2,739.27	\$3,230.31	\$3,721.35	\$4,212.39	\$4,703.43	\$5,194.47	\$5,685.51	\$6,176.55	\$6,667.59	\$7,158.63	\$7,649.67	\$8,140.71	\$8,631.75
\$4,875.82	\$6,154.81	\$7,433.80	\$8,712.79	\$9,991.78	\$11,270.77	\$12,549.76	\$13,828.75	\$15,107.74	\$16,386.73	\$17,665.72	\$18,944.71	\$20,223.70
\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
\$1,294.60	\$1,354.60	\$1,414.60	\$1,474.60	\$1,534.60	\$1,594.60	\$1,654.60	\$1,714.60	\$1,774.60	\$1,834.60	\$1,894.60	\$1,954.60	\$2,014.60
\$1,458.61	\$1,608.61	\$1,758.61	\$1,908.61	\$2,058.61	\$2,208.61	\$2,358.61	\$2,508.61	\$2,658.61	\$2,808.61	\$2,958.61	\$3,108.61	\$3,258.61
\$2,664.34	\$3,004.34	\$3,344.34	\$3,684.34	\$4,024.34	\$4,364.34	\$4,704.34	\$5,044.34	\$5,384.34	\$5,724.34	\$6,064.34	\$6,404.34	\$6,744.34
\$5,913.35	\$6,593.35	\$7,273.35	\$7,953.35	\$8,633.35	\$9,313.35	\$9,993.35	\$10,673.35	\$11,353.35	\$12,033.35	\$12,713.35	\$13,393.35	\$14,073.35
\$4,110.30	\$4,890.30	\$5,670.30	\$6,450.30	\$7,230.30	\$8,010.30	\$8,790.30	\$9,570.30	\$10,350.30	\$11,130.30	\$11,910.30	\$12,690.30	\$13,470.30
\$2,423.03	\$2,833.03	\$3,243.03	\$3,653.03	\$4,063.03	\$4,473.03	\$4,883.03	\$5,293.03	\$5,703.03	\$6,113.03	\$6,523.03	\$6,933.03	\$7,343.03
\$1,336.51	\$1,595.51	\$1,854.51	\$2,113.51	\$2,372.51	\$2,631.51	\$2,890.51	\$3,149.51	\$3,408.51	\$3,667.51	\$3,926.51	\$4,185.51	\$4,444.51
\$607.75	\$607.75	\$607.75	\$607.75	\$607.75	\$607.75	\$607.75	\$607.75	\$607.75	\$607.75	\$607.75	\$607.75	\$607.75
\$1,012.02	\$1,012.02	\$1,012.02	\$1,012.02	\$1,012.02	\$1,012.02	\$1,012.02	\$1,012.02	\$1,012.02	\$1,012.02	\$1,012.02	\$1,012.02	\$1,012.02
\$1,132.07	\$1,132.07	\$1,132.07	\$1,132.07	\$1,132.07	\$1,132.07	\$1,132.07	\$1,132.07	\$1,132.07	\$1,132.07	\$1,132.07	\$1,132.07	\$1,132.07
\$4,000.50	\$4,000.50	\$4,000.50	\$4,000.50	\$4,000.50	\$4,000.50	\$4,000.50	\$4,000.50	\$4,000.50	\$4,000.50	\$4,000.50	\$4,000.50	\$4,000.50
\$1,154.76	\$1,154.76	\$1,154.76	\$1,154.76	\$1,154.76	\$1,154.76	\$1,154.76	\$1,154.76	\$1,154.76	\$1,154.76	\$1,154.76	\$1,154.76	\$1,154.76
\$303.88	\$303.88	\$303.88	\$303.88	\$303.88	\$303.88	\$303.88	\$303.88	\$303.88	\$303.88	\$303.88	\$303.88	\$303.88
\$10,501.97	\$10,501.97	\$10,501.97	\$10,501.97	\$10,501.97	\$10,501.97	\$10,501.97	\$10,501.97	\$10,501.97	\$10,501.97	\$10,501.97	\$10,501.97	\$10,501.97
\$7,001.32	\$7,001.32	\$7,001.32	\$7,001.32	\$7,001.32	\$7,001.32	\$7,001.32	\$7,001.32	\$7,001.32	\$7,001.32	\$7,001.32	\$7,001.32	\$7,001.32
\$9,957.18	\$9,957.18	\$9,957.18	\$9,957.18	\$9,957.18	\$9,957.18	\$9,957.18	\$9,957.18	\$9,957.18	\$9,957.18	\$9,957.18	\$9,957.18	\$9,957.18
\$21,781.87	\$21,781.87	\$21,781.87	\$21,781.87	\$21,781.87	\$21,781.87	\$21,781.87	\$21,781.87	\$21,781.87	\$21,781.87	\$21,781.87	\$21,781.87	\$21,781.87
\$5,844.44	\$5,844.44	\$5,844.44	\$5,844.44	\$5,844.44	\$5,844.44	\$5,844.44	\$5,844.44	\$5,844.44	\$5,844.44	\$5,844.44	\$5,844.44	\$5,844.44
\$4,108.27	\$4,108.27	\$4,108.27	\$4,108.27	\$4,108.27	\$4,108.27	\$4,108.27	\$4,108.27	\$4,108.27	\$4,108.27	\$4,108.27	\$4,108.27	\$4,108.27
\$2,940.27	\$2,940.27	\$2,940.27	\$2,940.27	\$2,940.27	\$2,940.27	\$2,940.27	\$2,940.27	\$2,940.27	\$2,940.27	\$2,940.27	\$2,940.27	\$2,940.27
\$286,441.84	\$292,085.03	\$297,728.22	\$303,371.41	\$309,014.60	\$314,657.79	\$320,301.00	\$325,944.21	\$331,587.42	\$337,230.63	\$342,873.84	\$348,517.05	\$354,160.26
\$45,525.15	\$47,857.86	\$50,190.57	\$52,523.28	\$54,855.99	\$57,188.70	\$59,521.41	\$61,854.12	\$64,186.83	\$66,519.54	\$68,852.25	\$71,184.96	\$73,517.67
\$7,380.42	\$11,256.50	\$11,418.78	\$11,581.06	\$11,743.34	\$11,905.62	\$12,067.90	\$12,230.18	\$12,392.46	\$12,554.74	\$12,717.02	\$12,879.30	\$13,041.58
\$1,070.71	\$4,498.41	\$4,932.21	\$5,366.01	\$5,800.01	\$6,234.01	\$6,668.01	\$7,102.01	\$7,536.01	\$7,970.01	\$8,404.01	\$8,838.01	\$9,272.01
\$8,894.00	\$9,582.03	\$10,270.06	\$10,958.09	\$11,646.12	\$12,334.15	\$13,022.18	\$13,710.21	\$14,398.24	\$15,086.27	\$15,774.30	\$16,462.33	\$17,150.36
\$104,480.84	\$103,733.78	\$102,986.72	\$102,239.66	\$101,492.60	\$100,745.54	\$100,000.00	\$99,254.46	\$98,508.92	\$97,763.38	\$97,017.84	\$96,272.30	\$95,526.76
\$104,980.09	\$207,470.50	\$209,960.91	\$212,451.32	\$214,941.73	\$217,432.14	\$219,922.55	\$222,412.96	\$224,903.37	\$227,393.78	\$229,884.19	\$232,374.60	\$234,865.01
\$207,470.50	\$209,960.91	\$212,451.32	\$214,941.73	\$217,432.14	\$219,922.55	\$222,412.96	\$224,903.37	\$227,393.78	\$229,884.19	\$232,374.60	\$234,865.01	\$237,355.42
(\$1,450.49)	(\$1,571.98)	(\$1,693.47)	(\$1,814.96)	(\$1,936.45)	(\$2,057.94)	(\$2,179.43)	(\$2,300.92)	(\$2,422.41)	(\$2,543.90)	(\$2,665.39)	(\$2,786.88)	(\$2,908.37)
\$699,207.70	\$377,814.85	\$670,593.46	\$222,944.10	\$208,680.50	\$244,254.09	\$279,827.67	\$315,401.26	\$350,974.85	\$386,548.44	\$422,122.03	\$457,695.62	\$493,269.21
\$377,814.85	\$670,593.46											

Category	Amount	Year	Count	Value	Value
Equipment & Furniture	\$ 125,000			\$ 17,857	\$ 1,468
Security Equipment	\$ 50,000	2019	7	\$ 7,143	\$ 595
Furniture & Fixtures	\$ 75,000	2018	7	\$ 10,714	\$ 893
Leasehold Improvements	\$ 300,000			\$ 30,000	\$ 1,667
Leasehold Improvements	\$ 300,000	2019	15	\$ 20,000	\$ 1,667
Buildings	\$ -			\$ -	\$ -
Buildings	\$ -	2019	18	\$ -	\$ -
Total	\$ 425,000			\$ 17,857	\$ 1,135

Category	Amount	Year	Count	Value	Value
Equipment & Furniture	125,000				
Leasehold Improvements	300,000				
Buildings	-				
Total	425,000				

Category	2018	2019	2020	2021	2022
Equipment & Furniture	1,468	1,468	1,468	1,468	1,468
Leasehold Improvements	1,667	1,667	1,667	1,667	1,667
Buildings	-	-	-	-	-
Total	3,135	3,135	3,135	3,135	3,135

Category	Amount	Year	Count	Value	Value
Equipment & Furniture	125,000				
Leasehold Improvements	300,000				
Buildings	-				
Total	425,000				

REMEDY

FAIRFAX

SECTION 8 OPERATING PLAN

Information on Inventory Controls and Sales Procedures that Will Be Used to Prevent Diversion to Illegal Market and Access to Minors

This plan has been specifically developed for the proposed facility in Fairfax named Remedy Fairfax, a cannabis dispensary owned and operated by Element 7. As Element 7 would manage and operate this facility, all references in this document to Element 7 shall be known as Remedy Fairfax.

Inventory Control Procedures

POLICY NAME	TRACK AND TRACE
APPLICABLE LAW	Pursuant to the California Code of Regulations § 5048-5051; Business and Professions Code Section 26013, 26067, 26070, 26160 and 26161.
POLICY OBJECTIVE	To ensure that any cannabis handled, managed or sold by Element 7 is tracked and traced at every point of the inventory management process.
ELEMENT 7 CORE VALUE	'Trusted'
SOP PROCEDURES	<p>Track and Trace Operations</p> <ul style="list-style-type: none"> - Service Provider - Track and Trace Systems Procedures - Track and Trace Data - Destruction and Disposal of Cannabis - Loss of Connectivity - System Reconciliation

Track and Trace System Provider

Element 7 uses **Flowhub** as its primary point-of-sale or management inventory tracking system to track and report on all aspects of the commercial cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale), time and date of each sale, etc.

Track and Trace Procedures

- Element 7 will have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the commercial cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale), time and date of each sale, etc.

- All transactions will be entered into the track and trace system by 11:59 p.m. Pacific Time, on the day the transaction occurred.

- Element 7 will only enter and record complete and accurate information into the track and trace system and will correct any known errors entered into the track and trace system immediately upon discovery.
- Element 7 will record in the track and trace system, all commercial cannabis activity, including any:
 1. Packaging of cannabis goods.
 2. Sale of cannabis goods.
 3. Transportation of cannabis goods to a licensee.
 4. Receipt of cannabis goods.
 5. Return of cannabis goods.
 6. Destruction and disposal of cannabis goods.
 7. Laboratory testing and results.
 8. Any other activity as required by any other licensing authority.
- The following information will be recorded for each activity entered in the track and trace system:
 1. Name and type of the cannabis goods.
 2. Unique identifier of the cannabis goods.
 3. Amount of the cannabis goods, by weight or count.
 4. Date and time of the activity or transaction.
 5. Name and license number of other licensees involved in the activity or transaction.
 6. If the cannabis goods are being transported Element 7 will transport pursuant to a shipping manifest generated through the track and trace system as well as:
 - a) The name, license number, and premises address of the originating licensee.
 - b) The name, license number, and premises address of the licensee transporting the cannabis goods.
 - c) The name, licensee number, and premises address of the destination licensee receiving the cannabis goods into inventory or storage.

- d) The date and time of departure from the licensed premises and approximate date and time of departure from each subsequent licensed premises, if any.
- e) Arrival date and estimated time of arrival at each licensed premises.
- f) Driver's license number of the personnel transporting the cannabis goods, and the make, model, and license plate number of the vehicle used for transport.

Destruction and Disposal of Cannabis

- If cannabis goods are being destroyed or disposed of, the licensee will record in the track and trace system the following additional information:
 - 1. The name of the employee performing the destruction or disposal.
 - 2. The reason for destruction or disposal.
 - 3. The name of the entity being used to collect and process cannabis waste.
- Description for any adjustments made in the track and trace system, including, but not limited to:
 - 1. Spoilage or fouling of the cannabis goods.
 - 2. Any event resulting in exposure or compromise of the cannabis goods.
 - 3. Any other information as required by any other applicable licensing authorities.

Loss of Access

- If at any point Element 7 loses access to the track and trace system for any reason, Element 7 will prepare and maintain comprehensive records detailing all commercial cannabis activities that were conducted during the loss of access.
- The licensee will both document and notify licensing authorities immediately:
 - 1. When access to the system is lost;
 - 2. When it is restored; and
 - 3. The cause for the loss of access.
- Element 7 will submit the Notification and Request Form, BCCLIC-027 when connectivity is lost.
- Once access is restored, all commercial cannabis activity that occurred during the loss of access will be entered into the track and trace system within three (3) business days of access being restored.

- Element 7 will not transport, transfer or deliver any cannabis goods until such time as access is restored and all information recorded in the track and trace system.

System Reconciliation

Element 7 will reconcile the physical inventory of cannabis goods at the licensed premises with the records in the track and trace database at least once every 14 days. If Element 7 finds a discrepancy between its physical inventory and the track and trace system database, the licensee will conduct an audit.

INVENTORY CONTROL POLICY

POLICY NAME	CANNABIS INVENTORY CONTROL POLICY
APPLICABLE LAW	Pursuant to the California Code of Regulations §5423-5324 Element 7 management and staff will adhere to both local and state laws and regulations as it relates to inventory control in the Town of Fairfax.
POLICY OBJECTIVE	To ensure that any cannabis handled, managed or sold by Element 7 is managed and accounted for in the most efficient and effective manner possible.
ELEMENT 7 CORE VALUE	'Consistency'
SOP PROCEDURES	Inventory Control - Inventory Control Practices - Monthly Inventory Procedure - Inventory Discrepancies

Inventory Control Practices

- Element 7 will be using industry specific tracking software – preferred choice is **Flowhub** and METRC, the State approved tracking system. To the extent any employee will be using the system, employees will be trained and given a specific pass code to access the system. An employee must NEVER share or disseminate the pass code to any third party or other employee. An employee must NEVER allow another employee to access the inventory control system with their unique pass code.
- The Data Management System is designed to track data in each phase that is carried forward throughout the entire process chain of the seed-to-sale system - growth, harvesting, processing, packaging, order fulfilment, shipping, sale & payment of the medical cannabis, so that the medical cannabis can be traced forward through the entire process and backward from the point of sale back to the clone and mother from which the product was produced.
- The software and backup data assure instant access to all information that has been gathered and maintained. The system is specifically designed to record and report information to prevent diversion of the products and theft while maintaining product quality, product consistency, making the employees accountable for the tasks they undertake, while simultaneously providing all

regulatory information quickly and efficiently, and providing management with key information and storing such information for the requisite time periods.

- All cannabis will be kept in a safe, locked access-controlled area. This area will have the highest and tightest security restrictions in the Facility and will only be accessible by the Shift Manager and General Manager. No other persons will be allowed to access this room at any time, without exceptions. Employee theft and/or diversion of medical cannabis, regardless of the amount, is grounds for immediate termination and will not be tolerated. Offenders will be reported to the Police.

Monthly Inventory Audits

On the first of each month a complete inventory audit according to generally accepted accounting principles of usable and unusable medical marijuana will be taken by the inventory control manager and documented in the inventory log. All usable and unusable products will be accounted for.

Inventory Discrepancies

- Element 7 will verify that the physical inventory at the facility is consistent with the its records pertaining to inventory. If for any reason the inventory counts do not match those entered into the database due to suspected criminal activity by an employee, Element 7 will immediately contact local law enforcement authorities and the Bureau.
- Inventory discrepancies not due to criminal activity will be documented by the General Manager. Element 7 will investigate the source of the difference, those suspected to be involved and take and document corrective action.
- Inventory counts are taken very seriously and any discrepancy in numbers is of the utmost importance to Element 7.
- All documentation of inventory count discrepancy will be available to the General Manager, the Head of Security and relevant external Tax Authorities.

Records Retention

- All cannabis inventory including each day's beginning inventory, acquisitions, sales, disbursements, disposal of unusable cannabis, and ending inventory will be taken daily.
- All daily, weekly and monthly inventory logs will be kept at the Delivery facility for 5 (five) years from the date of the document and will be available to the Town for review upon request.

POLICY NAME	DATA MANAGEMENT
APPLICABLE LAW	Pursuant to the California Code of Regulations §5048 and §5051 in association with an Element 7 Internal Policy. Element 7 management and staff will adhere to both local and state laws and regulations as it relates to data management in the Town of Fairfax
POLICY OBJECTIVE	To ensure that privacy records, financial records, cost tracking and analysis, inventory levels and compliance data are safely and securely stored within the cloud software.
ELEMENT 7 CORE VALUE	<i>'Make Compliance an Advantage'</i>
SOP PROCEDURES	Data Management Data Reconciliation

Data Management

Data will be stored by Element 7 using industry specific cloud storage software. Our first priority is to ensure that such system provides secure electronic access to health data that is compliant with privacy rules and HIPAA Compliance (Health Insurance of Portability and Accountability Act). HIPAA Compliance ensures that data could never be released without either the patients written consent or by court subpoena. Data is stored at an off-site HIPAA-Compliant Data Storage Centre and is SSL Encrypted.

Specifically, we will also ensure that any Data Storage and Web-Hosting Services have:

1. A signed Business Associate Agreement (BAA)
2. Monthly vulnerability scans of your servers
3. Mitigation of the vulnerabilities discovered by the monthly vulnerability scans
4. Server hardening
5. Off-site backups
6. Log retention of 6 years

A licensed CFO is retained and employed by Element 7 to ensure that appropriate financial systems, policies, procedures and accounts are maintained accurately by the Company. GAAP Accounting Procedures shall be used. An independent and certified 3rd party auditor shall also be appointed for annual accounting compliance and audit checks.

Data Reconciliation

The key is to gather information at specific points in the process and then reconcile that information such that the continuous flow and custody of the cannabis product can be monitored and measured. Such information is used at two levels.

- First, for regulatory reporting purposes.
- Second, as a management tool for making important decisions about the overall efficiency of the operation.

To that end, information such as cost tracking and analysis, inventory levels and compliance data is entered into the Data Management System and recorded. Any differences between expected and actual values or counts are immediately highlighted and addressed. Further, using various software privileges, individual employees are held accountable for their tasks and any issues that may arise in fulfilling those tasks. Each employee is given a specific password, such that his/her work input can be monitored and corrected, if necessary.

The software systems have a redundancy of backup. Data is stored in secured hardware off-site cloud storage servers (HIPAA-Compliant process), using the latest in encryption technology. All data collected is time and date specific, identified by the employee inputting the data and stored for at least the time required by the State rules. Further, backup data is taken at regular intervals and stored off-site in secondary secure locations using portable hard drives. The result is a highly secure, data processing system with redundancy of operations and storage built in.

Dispensary Sales Procedures- Product Handling

All customers will require a State ID to enter the Facility and must be 21 years of age or over, unless the patient is at least 18 years of age and has a valid physician's recommendation for medicinal cannabis. Inventory Specialists are tasked with preparing purchased products for release to customers. This involves transporting products from the Secure Product Storage Area, to the Inventory Preparation Area where products are inspected according to our internal Quality Control policies and placed into reusable and compliant exit packaging. Appropriate Product and educational materials will be included with the order.

Complete orders will be passed to BudTenders at the register through a secure window behind the register. Products are never laid out on the Retail Floor.

Once the transaction has been processed, the complete order will be provided to the customer.

Denial of Sale

In the event that a customer is flagged for this reason, or has made several trips to our dispensaries, and a purchase exceeds the possession limit, then the transaction will be denied. A prompt will appear on the register and will require the BudTender to enter a reason why the transaction is denied. If a transaction is denied due to exceeding possession limits, then the customer will be able to remove products from their order so that their orders meet the possession limits set by the State.

Our point-of-sale system has the ability to monitor all our licensed dispensary's customers' transactions. In the event that a customer purchases cannabis from several of our dispensaries, and exceeds possession limits, the system will automatically notify the BudTender processing the transaction and deny the sale.

If a transaction is denied due to high-risk purchase behavior, then the customer will be warned and given a private consultation where the BudTender explains possession limits and purchase history monitoring. As a policy, customers are required to acknowledge and agree to our Company's policies and procedures, which include possession limits and responsible consumption. If a customer is flagged a second time, our Company has the right to refuse service. A report will be completed and provided to the General Manager, who may or may not share the report with other licensed dispensaries or the Department.

Point-of-Sale System: FlowHub

Our Company's preferred point-of-sale system (POS) is FlowHub and **we have attached our agreement** with this company at the end of this section. We will utilize FlowHub across all our licensed dispensaries in California. FlowHub is a point-of-sale system that hosts and maintains the servers, databases and code that constitutes the point-of-sale system. Currently, FlowHub has over 700 licensed cannabis retail customers and 30 partners. FlowHub processes over \$1 billion in sales annually. Licensed cannabis retailers in Alaska, Arizona, California, Colorado, Illinois, Maryland, Massachusetts, Michigan, Missouri, Montana, Nevada, Oklahoma, and Oregon utilize FlowHub as their front-to-back end point-of-sale solution provider.

The system is customizable and compliant with local and state laws and regulations and is currently working towards obtaining their API integration key with BioTrack THC. FlowHub is a proven system that is able to integrate with robust track and trace systems, such as METRC. The POS is custom-built and provides intuitive, reliable and scalable solutions for cannabis dispensaries.

FlowHub is a web-based application that can be downloaded to desktop and handheld devices with iOS operating systems. This means that all devices connected to our POS will be apple devices, such as iPhones and iPads for all Concierge, BudTender, inventory and Register devices, and desktop Macs for the Main Office and Security.

Management Model

Element 7's operations plan is rooted in compliance and customer satisfaction. Led by the General Manager, using industry best practices, day to day operations will divide the dispensary's workforce according to different operational tasks, including reception and customer management, patient consultation, retail management, security, facility management, merchandising and inventory tracking.

Day to day operations will be overseen by Nicolas Pommier, as General Manager for the Facility, and 2 x Shift Managers that will be sourced from the local community and ideally has previous cannabis retail experience and other adjacent retail experience in the liquor, pharmaceutical, hospitality, or other regulated industries. In the **Public Benefits** section, **Attachment 'B' – Job Descriptions** sheds more light on the roles/positions we will have at the facility. We have provided a "snapshot" in this section as well.

Dispensary Management

- A General Manager and 2 Shift Managers will oversee sales, inventory tracking, ordering, and all other day-to-day operations within the dispensary. The Shift Managers will set up daily specials and create bundle packages.

Dispensary Assistant Managers will act as a second level of expertise for customers beyond Dispensary Technicians. When a Dispensary Technician is unable to answer a specific health and wellness question, application of cannabis, or company procedure, they will alert the Shift Managers for help.

- Dispensary Assistant Managers will have access to inventory controls to enable them to reconcile inventory levels, fix user-errors in the point of sale system, and purchase order bulk product into business management platforms. Dispensary Assistant Managers will respond to inquiries sent to Element 7's general information email address, oversee customer membership rewards / discounts, and reach out to vendors for purchasing wholesale flower and infused products.
- The Shift Managers will keep records for active inventory and back stock and report discrepancies to the General Manager. At the end of each business day, the Shift Managers will review the inventory reconciliation log prepared by the Dispensary Technician. The Shift Managers will then investigate discrepancies in physical and digital inventory levels. To ensure accuracy of records, the Flowhub platform will be reviewed on a daily basis by Element 7 Compliance department.
- The General Manager will be an expert in cannabis, its application for qualifying conditions, sales strategies, and customer service. The General Manager will oversee the daily operation of the dispensary. The General Manager will review all inventory reports and serve as the contact point for Town officials, law enforcement officers, and state regulators. The General Manager will review daily inventory reports and any flagged items with irreconcilable discrepancies.
- As a best practice, the General Manager will report discrepancies in inventory to the Fairfax Chief of Police along with a description of the incident, probable causes, and with an explanation that the event did not occur because of unlawful diversion (Fairfax Municipal Ordinance). Conversely, the General Manager will also handle reporting thefts and suspicious behavior to the Fairfax Chief of Police. The General Manager will schedule inspections, building maintenance, and work in coordination with the Facilities Manager, Heads of Security and Compliance, to ensure the dispensary is in good operational condition.
- The General Manager will hire employees to staff the dispensary and keep 90-day performance reviews for all employees. The General Manager will train employees on operations best practices and all company policies. As a resource for all dispensary employees, the General Manager will schedule employee work shifts and relay pertinent employment matters to the HR Director.
- The General Manager will manage daily finance operations within the dispensary, and they will have exclusive access to the depository safe. As part of opening duties, the General Manager will count cash and other applicable payment receipts compiled from the previous day's operation. The General Manager will coordinate cash management services, including

scheduling deposit pick-ups from a cash services company. We have included our **52-week Opening Checklist** at the end of this section.

- As part of that process, General Managers will keep a manual deposit log. When the cash service provider enters the facility, the General Manager will prompt the representative to sign the log to verify the total deposit amount. The General Manager will keep money to be deposited in tamper-evident envelopes, then place the envelopes in puncture-proof, lockable bank bags. As an added precaution, only General Managers will transfer money to cash service providers. The General Manager will report deposits to Element 7's financial manager, who will integrate data into sales performance reports and budget forecasts.
- As a best practice, the General Manager, financial manager and head of operations will remain in constant contact to ensure the financial sustainability of dispensary operations.

BudTenders

- Element 7 will prepare dispensary staff to accommodate all cannabis customers. Element 7 is a full-service store, where customers could conveniently access professional, attentive BudTenders and superior-quality cannabis. BudTenders will have knowledge of strains, infused products, and services that may help customers treat qualifying conditions. In addition to providing face-to-face consultations, BudTenders will navigate electronic data systems and manual logs to ensure all inventory is traceable and accounted for at all times.
- BudTenders will greet each customer by their preferred name, in a kind, inviting voice and with a pleasant attitude. After a friendly greeting, BudTenders will invite customers to express what brought them in for their visit. Some customers will eagerly express their motivation: the symptoms they experience, what products work, the potency they require, and at a specified price. Others will be more hesitant to reveal their condition, their experience (or lack thereof) with cannabis, or what they can expect to pay for cannabis products. Some customers may appear in good health, while others may clearly be suffering. As a best practice, BudTenders will quickly identify the appropriate tone of conversation for each customer. They will accomplish this by first asking customers, "Is this your first time in?" If so, the technician will recite a brief introduction to the company.
- Element 7 will be education-driven, and BudTenders will have a wealth of medical research, handouts, blogs, and publications on hand to best inform customers of the benefits and risks of cannabis. Technicians will answer all inquiries to the best of their ability, and when questions are outside their scope of knowledge, they will approach a manager to best accommodate the customer's request.
- BudTenders will keep active inventory away from back stock and organize active inventory in a way that is accessible and easy to navigate. Each BudTender will have a personal workspace that will include: a cash register and computer. When a customer selects a product, the BudTenders will write

the order down. Then, the technician will search the inventory database for the requested product. The inventory tracking system will show the location of the product (active inventory or back stock). The BudTender will excuse himself or herself from the conversation to find the product. Upon returning with the product, the BudTender will ask the customer if they have any questions relating to applying or consuming it. To prevent diversion, the BudTender will place products out of the reach of customers while retrieving more products.

- When the BudTender completely fulfills the order, they will prompt the customer for payment. After payment is processed, the BudTender will offer a receipt. Then, before saying goodbye to the customer, BudTenders will invite customers to write a review of their experience on various social media accounts and mapping websites.
- BudTender opening duties will include preparing dispensing workspaces, turning on all computers, lights, and digital scales, setting up display shelves, ensuring adequate supply of active inventory, creating digital menus, and familiarizing with daily specials. At the end of each business day, BudTenders closing duties will include: closing cash registers, dropping deposits into the depository safe, reporting total sales to the Dispensary Assistant Manager, placing product in the storage vault, cleaning the service room and other limited access areas, logging out of business management platforms, counting merchandise, and turning off applicable electronics.

Receptionist / Security Guard

- The Receptionist is the first point of contact that Patients will have with Element 7 and serves as both receptionist and security guard. The Dispensary Receptionist will have a thorough knowledge of California state laws and the Fairfax Municipal Code to best respond to all patient and customer inquiries. The Dispensary Receptionist will keep patient and customer identification data in a secure data management platform that will be stored in a secure off-site server.
- Element 7 will use industry best practices to best ensure Dispensary Receptionist job tasks are done in a compliant, timely, and effective manner.
- The Dispensary Receptionist will greet patients, caregivers, and visitors as they enter the dispensary, verify their identities, add Patients in the queue, grant Patients access to the retail sales outlet and manage the waiting room.
- As a liaison for Patients, the Dispensary Receptionist's foremost job duty is communicating information about the company and its products to qualified patients. Receptionists will have digital and physical menus around workspaces to quickly reference product availability and pricing information, and they will keep reception areas free of clutter.
- Receptionists will verify medical recommendations for patients are correct and up-to-date, and patients have a valid State ID. They will also share with each patient Element 7's policy about patient and customer privacy and

how to communicate to patients, caregivers and customers what information is shared with regulatory officials.

- Receptionists will convey this information in the form of patient and customer agreement forms, which the Receptionist will require each patient to sign before serving them. Patient agreement forms will include provisions that explain the consequences for falsifying medical or personal information. Patients must agree to abide by all state and Fairfax regulations while on Element 7's premises.
- Patients will only complete one agreement form and the Receptionist will log credentials into a secure digital network. Receptionists will encourage all Patients to include a phone number on their patient and customer agreement form to best reach them in case of emergency, or product recall.
- Receptionists will promptly enter contact information into business management platforms then file physical documents in a secure document storage area. Receptionists will access secure filing cabinets and use them to store completed patient and customer agreement forms. Before filing, the Receptionist will check the patient and customer agreement form for complete information, thus ensuring every patient and customer is aware of company policies before being served. To protect privacy, Receptionists will logout of all management networks before leaving the reception area.
- Receptionists will not let individuals under the age of 21 into the dispensary, nor will they dispense medical cannabis from reception areas (unless those persons are 18 and have a valid medical recommendation).
- Receptionists will be proficient in data entry and word processing. When the dispensary has announcements on menu availability, changes in prices, or special events (e.g. holidays, road construction, or emergencies), Receptionists will prepare statements for release on social media and on printouts. Receptionists will use spreadsheet software to log non-sensitive patient information, including contact information, product preferences, patient "goes-by" names, membership status, birthdays (for deals), and text/email list preferences. To further protect privacy, Element 7 will position any Receptionist workspaces and computer screens to block passers-by from seeing information.
- Receptionists will assist with the daily cleaning of the dispensary. They will keep personal workspaces tidy and will maintain the waiting room and common areas (bathrooms and offices). Periodically throughout the day, Receptionists will prepare coffee and snacks for waiting patients, straighten furniture, disinfect surfaces, and remove waste/recycling from common areas. As part of end-of-day procedures, Receptionists will enter all outstanding patient data created throughout the business day into business management platforms. Before leaving the facility, Receptionists will file all paperwork, log out of all digital communication networks, clean work areas, and turn off applicable electronics.

Delivery Operations Plan

The non-storefront retail (delivery) aspect of the business will be managed by a dedicated Head of Delivery within Remedy Fairfax, reporting to the General Manager of the local business.

The business management will be governed by a series of Standard Operating Procedures developed and implemented by Element 7, including:

- Delivery Operations Policy
- Cannabis Track and Trace Policy
- Inventory Control Policy
- Records Management Policy

Standard Operating Procedures

POLICY NAME	TYPE 9 LICENSE NON-STOREFRONT RETAIL (DELIVERY) OPERATIONS POLICY
APPLICABLE LAW	Pursuant to the Business and Professions Code section 26001 (p), California Code of Regulations §5414-5421; §5048-5051 Element 7 officers, management, and staff will adhere to both local and state laws and regulations as it relates to running a compliant non-storefront retail facility in the Town of Fairfax.
POLICY OBJECTIVE	To create a successful and fully compliant non-storefront delivery operation which focuses on team member safety and training, the consistent delivery of high quality locally sourced products, consumer education, and community engagement.
ELEMENT 7 CORE VALUE	<i>'Excellence in Everything We Do'</i>
SOP PROCEDURES	<p>Management</p> <ul style="list-style-type: none"> - Staffing and Management <p>Ordering</p> <ul style="list-style-type: none"> - Customer Ordering Procedures - Online Ordering System - Technology Integration - Education Integration <p>Fulfillment</p> <ul style="list-style-type: none"> - Transportation Vehicle Requirements - Delivery Inventory Ledger - Order Fulfilment (Pre and Post Delivery) - Delivery Receipts - Communications - Route Planning <p>Control and Compliance</p>

	<ul style="list-style-type: none"> - Carriage of Business License - Delivery Employees - Online Age Verification
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Management

Staffing and Management

Element 7 will employ a number of key individuals to operate the non-storefront retail (delivery) operations aspect of its cannabis business.

Dispatch Manager

The Dispatch Manager will work directly with the dispatch team to assist in coordinating daily workflow and work independently on safety requirements for the delivery team; in addition to being responsible for properly deploying and monitoring the status and locations of the delivery drivers. The Dispatch Manager will also be responsible for the following:

1. Answer incoming customer phone calls and take appropriate action for each call;
2. Maintain customer satisfaction ratings based on explicit criteria set forth by Element 7;
3. Assign orders to drivers, and follow-up until all orders are completed;
4. Attend mandatory training sessions to stay updated on product or company policy changes;
5. Route and set schedules for the delivery team;
6. Maximize productivity and ensure prompt, courteous and efficient service to, primary caregivers and customers; and
7. Build strong customer relationships.

Drivers

Drivers will be responsible for transferring products from our non-storefront retail facility directly to patients, primary caregivers and customers throughout the town and collecting money in exchange for the cannabis goods from customers. Drivers will work with the Dispatch Manager to ensure timely delivery and full compliance with both local and state laws.

Driver responsibilities include, but are not limited to:

1. Make a wide variety of deliveries as directed;
2. Keep accurate records of deliveries and customer authorizations;
3. Ensure all documentation is submitted to management on time;
4. Keep an accurate driver's log;
5. Follow a strict standard of operating procedure;
6. Load, unload, prepare, inspect and operate a delivery vehicle;
7. Collect payments and maintain petty cash.

ORDERING PROCEDURES AND POLICIES

Customer Ordering Procedures

Patients and customers will be able to order through our smartphone APP or responsive website (which adapts itself to the patient/customer viewing

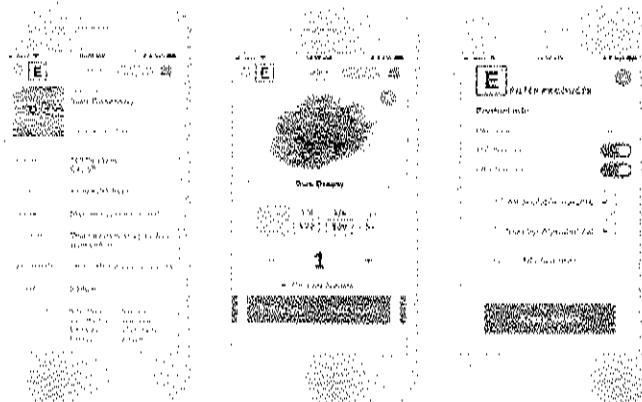
environment – phone, tablet or desktop computer) – first time users will be have to upload a photo of their government identification card in order to verify age, and will then be required to run through a 3-screen educational component educating them on cannabis potency, absorption and effects. They will then have the option of selecting a range of cannabis products and being able to track Element 7 delivery business through the smartphone APP or Website in much the same way that UBER or LYFT operates.

Online Ordering System

Element 7’s online ordering system will allow its patients, primary caregivers and customers to place orders from our website, tablets or mobile app. Element 7 has partnered with a premier e-Commerce delivery company to create all online and web application features (Ready Cart). This will allow the website and application to have an online menu and shopping portal that directly and seamlessly connects to our inventory management system in real time.

In addition to Ready Cart, Element 7 will utilize Baker Technologies software platform which will allow Element 7 to communicate directly with patients/customers immediately after an online order is placed, inform patients/customers of new products, educate patients/customers via the smartphone app and create a Loyalty program that offers patients/customers "points" for being loyal to Element 7.

The online ordering system will display all the products for sale at the business, their prices, and product descriptions. (see demo images below)



Technology Integration

We understand that as a licensed non-storefront retailer, we will not sell or otherwise transfer any cannabis goods to a customer through the use of an unlicensed third party, intermediary business, broker, or any other business or entity.

Element 7 will utilize Baker as a means to facilitate the sale and delivery of cannabis goods, in accordance with the following:

1. Element 7 will not allow for delivery of cannabis goods by the technology platform service provider.

2. Element 7 will not share in the profits of the sale of cannabis goods with the technology platform service provider, or otherwise provide for a percentage or portion of the cannabis goods sales to the technology platform service provider.
3. Element 7 will not advertise or market cannabis goods in conjunction with the technology platform service provider, outside of the technology platform, and will ensure that the technology platform service provider does not use Element 7' license number or legal business name on any advertisement or marketing that primarily promotes the services of the technology platform.
4. Element 7 will ensure the following information is provided to customers:
 - (i) Any cannabis goods advertised or offered for sale on or through the technology platform will disclose, Element 7' legal business name and license number.
 - (ii) Customers placing an order for cannabis goods through the technology platform will be able to easily identify Element 7 as the source of where the cannabis goods are being ordered or purchased from. This information will be available to the customer prior to the customer placing an order or purchasing the cannabis goods.
 - (iii) All required sales invoices and receipts, including any receipts provided to the customer, will disclose Element 7' legal business name and license number.
 - (iv) All other delivery, marketing, and advertising requirements will be complied with.

Ordering Procedures

1. Once a patient, primary caregiver or customer visits Element 7 online delivery portal, they will be asked if they are above the age of 21 (unless they are 18 and have a valid physicians recommendation);
2. Patients, primary caregivers and customers can visit the Element 7 menu of products which will range from edibles to flower and other cannabis products;
3. After a selection has been made, selected items will be placed in a "Cart" and the patients, primary caregivers and customers can then proceed to checkout;
4. Once an order has been processed and filled at the delivery facility, the patients, primary caregivers and customers will receive an alert notification for an approximate delivery-time estimate; and
5. Element 7 Delivery employees will receive instant push notifications on all tablets and smartphones at the facility. Once a patient, a primary caregiver or customer has placed an order, it will be immediately filled by an

employee, packaged and ready for delivery within a 15-minute time frame.

Online Ordering System (Educational Component)

The Element 7 online ordering system educational component will allow its patients, primary caregivers and customers to learn about the potency, effects, THC and CBD content of cannabis or cannabis goods prior to purchasing, as well as providing patients, primary caregivers and customers with the tools to incorporate a "Holistic Wellness" approach to their everyday lives.

In furthering Element 7' "Holistic Wellness" initiative to educate patients/customers on the benefits of cannabis, Element 7 seeks to work with Tokr to create a customized app experience for Element 7 patients and customers. Tokr allows patients and customers to learn which cannabis-based products can be used in their everyday life, and eases the anxiety or nervousness associated with not knowing how cannabis and cannabis related products may be used daily.

Element 7's cannabis and cannabis products breakdown will equip patients, primary caregivers and customers with the knowledge and understanding of the benefits of a chosen cannabis strain or product. Having an educational component on Element 7 website informs patients, primary caregivers and customers how each strain of cannabis might affect them which can go a long way towards utilizing the plant's potential therapeutic benefits.

The website will provide thorough descriptions of each type of strain - Sativa, Indica, Hybrid and CBD.

In furthering Element 7's commitment to inform and empower the Sebastopol community on cannabis education, it is also worth mentioning that accurately estimating cannabinoid effects must be treated with some subjectivity. Each patient/customer has an individual reaction to each type of cannabis strain and experimentation with different types of strains is essential for new patients and customers to achieve desired results.

Element 7 suggests patients, primary caregivers and customers keep a journal and record both body and head reactions to each strain, which will remove much of the guesswork from selecting the strains that work best for them. Our content management system will automatically send an email 12 hours after a patient, primary caregiver or customer has made a purchase which requires that product feedback following a "first time" purchase of a given product, and prior to the patients and customers next purchase to ensure we are receiving as much feedback as possible.

FULFILLMENT PROCEDURES AND POLICIES

Transportation Vehicle Requirements

Element 7 will strictly adhere to all rules, requirements and regulations regarding transportation of cannabis within the state of California, as they are created and modified by Town and State legislators. No deviation from those rules will be tolerated or allowed. The Head of Security will implement additional measures beyond the minimum requirements (i.e. transfer of currency for remitting Town tax payments).

Element 7' delivery process begins when the delivery employee leaves the facility with the cannabis goods for delivery. The delivery process ends when the delivery employee returns to the facility after delivering the cannabis goods or attempting to deliver the cannabis goods to the patient or customer (s). At no time will an Element 7 delivery employee engage in any activities except for cannabis goods delivery and necessary rest, fuel, or vehicle repair stops. Element 7 will maintain an accurate list of all delivery employee's information.

Any vehicle used in the delivery of cannabis goods will be operated by a delivery employee of Element 7. Vehicles used for delivery will not have any indications on the exterior of the vehicle that may indicate that the delivery employee is carrying cannabis goods for delivery. Only Element 7 employees will be in the delivery vehicle. In the event that an employee leaves the vehicle unattended, he/she will ensure that the vehicle is locked and equipped with an active vehicle alarm system.

All Element 7 vehicles will be outfitted with a dedicated Global Positioning System (GPS) device for identifying the geographic location of the delivery vehicle and recording a history of all locations traveled to by the delivery employee while engaged in delivery. The GPS device will be owned by Element 7 and used for delivery only. The device will be either permanently or temporarily affixed to the delivery vehicle and will remain active and inside of the delivery vehicle at all times during delivery. At all times, Element 7 will be able to identify the geographic location of all delivery vehicles that are making deliveries and document the history of all locations traveled to and by a delivery employee while engaged in delivery.

Delivery Inventory Ledger

- A LIVE delivery inventory ledger will be created which tracks all cannabis goods provided by Element 7 to the delivery driver, orders, purchase and product deliveries;
- For each cannabis good, the delivery inventory ledger will include the following:
 - Type of good, the brand, the retail value;
 - The track and trace identifier, and the weight, volume or other accurate measure of the cannabis good.
- After each customer delivery, the delivery inventory ledger will be updated to reflect the current inventory in possession of Element 7' delivery driver.
- No product will leave the Facility without being accompanied by an authorized driver of the Facility, together with transportation manifests to show the vehicle information, driver and accompanying personnel information, date and time the delivery business vehicle leaves the facility, the amount of product that is being transported, a breakdown of the individual boxes that will be delivered to individual patients and customers, the route that the vehicle will take, and expected delivery business times for delivery business to each delivery business.

Order Fulfillment (Pre-Delivery)

- Orders will be taken by Element 7 through an SSL Encrypted Responsive

Website, Smart-Phone APP and by phone. All Patients and customers will be checked to ensure they have the appropriate ID Card by uploading a photo of their government-issued identification.

- Received Orders will then be approved by the Shift Manager and queued for Packing. A Packer Employee will fulfil the order from stock in either the Ambient Storage Room or Cold Storage Room, where it will be packed in the Packing Room. It will then be queued for Dispatch.
- Packed Orders will be assigned to a Driver by the Dispatch Manager and moved to the Dispatch Room from the Packing Room. Cannabis will only be sold to an individual in an amount consistent with personal possession and use limits allowed by the State of California and enforced by Sebastopol and Element 7.
- The order fulfillment boxes (plastic) containing cannabis to be delivered to patients and customers will be verified, recorded and sealed. Once sealed they will be loaded into the lock boxes in the delivery business vehicle from the Dispatch Room, employees will ensure that no cannabis goods are visible to the public. Cannabis goods will be locked in a fully enclosed box, container, or cage that is secured on the inside of the vehicle.
- Both the Inventory Control Specialist and the driver that will accompany the product will verify the number of boxes, the date and time of delivery business, the date and time that the delivery business vehicle leaves the Facility, and the addresses to which the product will be delivered.
- Element 7 will maintain a database and provide a list of the individuals and vehicles authorized to conduct vehicle dispensing, and a copy of the valid California driver's license issued to the driver of any such vehicle on behalf of Element 7 to the Sebastopol Chief of Police.
- Only after the dispatch employee has completed the check with checklist for delivery business will the vehicle then be driven out of the lock area, and immediately began its delivery business route.
- Individuals making deliveries of cannabis or cannabis products on behalf of Element 7 will maintain a physical copy of the delivery request (and/or invoice) and will make it available upon the request of agents or employees of the Town of Fairfax requesting documentation.
- The total amount of cannabis carried in the vehicle will comply with State Law.

Order Fulfillment (Post-Delivery)

- Once the delivery business vehicle is in the locked and secured area designated for that purpose, the lockbox inside of the delivery business vehicle will be opened by delivery business personnel.
- The Inventory Control Specialist will perform a visual verification that the lockbox is in fact empty and contains no leftover cannabis products from a

previous delivery business. If there is cannabis, it will be removed from the vehicle, identified, recorded and placed in the vault for either reshipment or in the case of a cancelled order, the box seal will be cut, the contents verified as being un-tampered with and then re-stocked into inventory and recorded as being re-stocked, including time, date, amount, package numbers, weights, employee performing the re-stocking and reason for the return of the product. Any product that has been tampered with will be accounted for and then destroyed in accordance with Element 7 procedures.

- Any cash payments received by the Driver will be logged, accounted for, signed and held in the cash register until the end of the shift or day, at which point it will be counted and locked in the Walk-In Vault.

Delivery Receipts

- Element 7 will prepare both a hard copy and an electronic delivery request receipt for each delivery of cannabis goods. The delivery request receipt will contain the following:
 1. The name and address of Element 7;
 2. The first name and employee number of Element 7' delivery employee who delivered the order;
 3. The first name and employee number of Element 7' employees who prepared the order for delivery;
 4. The first name of the customer and an Element 7 retailer-assigned customer number for the person who requested the delivery;
 5. The date and time the delivery request was made;
 6. The delivery address; and
 7. A detailed description of all cannabis goods requested for delivery.

Communications

- Each driver will carry a communication device and a cell phone for backup communication.
- Driver will always remain in contact with Element 7's Central Security Control Room as well as 911 and emergency services, if necessary.

Route Planning

- The Dispatch Team will plan route security after the time and destination are determined. Routes will be randomized, and times varied. Other consideration, in addition to randomization and time, for each route will be based upon:
 1. Operational security (based on number of stop on route, crime by area, known previous routes etc.);
 2. Traffic (time of day or road incident);

3. Known public events, i.e. parades, demonstrations, unusual activity using current information available from a variety of sources to include news releases, police and town offices, social media; and
 4. Ongoing real-time incidents that would impede delivery business.
- If an Element 7 delivery driver does not have any delivery requests to be performed for a 30-minute period, the delivery driver will not make any additional deliveries and will return to the facility.

CONTROL AND COMPLIANCE

Carriage of Business License

All vehicles associated with the business will carry in the vehicle a copy of the valid, unexpired business license as well as a copy of Element 7' current non-storefront retailer's license. In addition, Element 7 Vehicle' will be registered with the Town Police Department.

Delivery Employees

- Element 7 will not employ or retain persons under 21 years of age.
- All deliveries of cannabis goods will be performed by a delivery employee who is directly employed by Element 7.
- All deliveries of cannabis goods will be made in person. A delivery of cannabis goods will not be made through the use of an unmanned vehicle.
- Delivery employees will carry a current government-issued identification, and an identification badge provided by Element 7.

Online Age Verification

- Electronic age verification will be utilized to determine the age of any individual attempting to purchase cannabis goods. All employees will be instructed on its use.
- Cannabis will not be sold to the public without electronic age verification.
- Delivery employees will verify the age and identity of the recipient of the cannabis goods at both order time and delivery of goods.
- Cannabis goods will only be received by the customer. The driver will scan the customers' valid identification card and verify that the individual is 21 years of age or older (or 18 with a valid physicians recommendation).

Summary

Element 7's Delivery business and operations are a critical focus point for our overall business strategy. While cannabis is a highly experimental and discovery-led category in 2019, we know that moving ahead, cannabis will more closely mimic existing shopping and buyer behavior practices of other consumer product verticals. Having a robust business plan and set of policies in place will be critical to our expansion

efforts in this vertical over the next 3-5 years as we seek to become one of the leading and largest cannabis delivery companies in California.

Prevent Diversion to Illegal Market and Access to Minors

Our Company takes a comprehensive approach towards security. We deploy four approaches in our plans that prevents diversion, theft, and loss of cannabis products and currency, as well as deter other related criminal activity that could harm our employees, customers and negatively affect the surrounding communities. Our primary sources to prevent diversion include the use of FlowHub, our Inventory Control Standard Operating Procedures, and diligent review and audits of all processes occurring at our facility.

Minors

Persons under the age of twenty-one (21) years will not be allowed into the Facility at any time or for any reason (unless he/she is a patient, at least 18 years of age with a valid physician's recommendation). No person under the age of twenty-one (21) will be offered any form of work or employment at the Facility. In an effort to protect minors from accessing cannabis and cannabis goods once purchased from our facility, all patient purchased items will be stored in opaque, child-resistant packaging.

Employee Training Beyond State Requirements

As previously mentioned in the **Public Benefits** section of our submittal, our Retail operations are governed by a series of Standard Operating Procedures developed and implemented by Element 7 which include:

- Labor & Employment Overview
- **Employee Training**
- **Employee Processes**

Staff training sits at the heart of our business. Having an effective staff training program in place is critical for several reasons. Firstly, cannabis consumers look to in-store staff for purchase decisions more than any media channel, form of advertising or any industry news. Secondly, having an effective staff training program in place is critical for compliant and legal operations. Finally, staff training is critical to personal development, hiring and retaining our best talent.

Staff Training Policies

POLICY NAME	EMPLOYEE TRAINING
APPLICABLE LAW	Pursuant to the Division of Labor Standards Enforcement, Title 8 regulations.
POLICY OBJECTIVE	To ensure Element 7 staff and executives significantly exceed industry training standards so that Element 7's understanding of the industry, customer and buying habits delivers a competitive business advantage. Our preferred partner is Clover Leaf University which is owned and operated by Element 7's Strategic Advisor, Chloe Villano.
ELEMENT 7 CORE VALUE	<i>'Excellence in Everything We Do'</i>
SOP PROCEDURES	Employee Training - Staff Training: Budtender Training Program - Pass Requirements

Classroom Training Program

Qualified candidates will be hired on a three-month probationary status. During this period, they will participate in a rigorous training process, and be evaluated for suitability in a restricted-access medical environment. Training will include the employee handbook, other reading materials, lectures by qualified professionals, hands-on training and quizzes.

According to BDS Analytics 2017 report 'Bud-tenders' in the industry received, on average, a total of 16 hours of training before commencing employment.

Element 7 employees will have received over **80 hours of training**, which is five (5) times the industry average prior to stepping foot on the floor. The following areas will

be covered during training this 80 hours of training (managed and delivered by the Cannabis Training Institute):

- Legal training will cover all Town of Fairfax, State and Federal laws relating to cannabis, and especially those related to Commercial cannabis. Other topics will include the rules and regulations of the facility, sexual harassment training, effective interaction with law enforcement personnel, and the rights and responsibilities of Commercial cannabis consumers **(4 hours)**
- Product offerings **(12 hours)**
- Medical training will include disabled rights and sensitivity, how to identify and respond to a medical emergency, and the proper uses and benefits of Commercial cannabis **(8 hours)**
- Safety training, in addition to its focus on safety, will include warning signs of possible diversion to the illegal market, lock and alarm procedures, perimeter and entrance control, robbery response techniques, conflict resolution techniques and diversion detection techniques **(4 hours)**
- Element 7 business model and Customer Service Training **(4 hours)**
- Regulatory compliance (the applicability of Federal and State regulations to the employees' responsibilities) **(4 hours)**
- Training on Standard Operating Procedures (SOPs) **(12 hours)**
- Prevention of Diversion of Commercial cannabis **(8 hours)**
- Security procedures **(16 hours)**
- Safety procedures **(8 hours)**

Element 7 will implement a comprehensive series of trainings for all Company employees, on the overall business model and operations of Commercial cannabis products. Element 7 will train all employees to effectively and efficiently fulfill their duties and exceed the expectations of their positions, including a thorough understanding of all applicable Federal, State, and local regulations relating to Commercial cannabis operations.

All employees will gain a greater understanding regarding all aspects of Commercial cannabis production from propagation to point of sale, with an overview of SOPs across operations. Trainings are conducted strategically to ensure that all employees on-board effectively with a proven (tested) proficiency and increase their knowledge base.

Training will be conducted initially by the California Training Institute (CTI) until the Clover Leaf University is operational in California.

Refer to www.cannabistraininginstitute.com for more information.



Advanced Training Program (BudMaster)

'Budtenders' working at Element 7 will be allowed to apply to undertake an Advanced Training Program annually which would allow them to hold the title of 'BudMaster' at Element 7.

The Advanced Training Program is provided by CTI (class-room based) and supplemented with online training from Clover Leaf University. The Advanced Training Program includes the following sections:

- Cannabis as Medicine
- Principles of Cannabinoid Therapy
- Use of Cannabis for Cardiovascular Disease
- Use of Cannabis for Respiratory Patients
- Use of Cannabis for Gastrointestinal Disease
- Use of Cannabis for Hematology / Oncology
- Use of Cannabis for Endocrine Issues
- Use of Cannabis for Gynecologic Issues
- Use of Cannabis for Musculoskeletal Issues
- Use of Cannabis for Neurological Issues
- Use of Cannabis for Dermatological Issues
- Use of Cannabis for Psychiatric Issues
- Cannabis Law
- Sales Skills 101
- Cannabis Potency, Absorption Rates & Product Effects
- Managing Impaired Patients
- Final Examination and Certification

In order to receive a BudMaster title, Element 7 BudTenders taking this program would need to receive a PASS mark of at least 80%.

Americans for Safe Access Training

All employees must complete the Patient Focused Certification Program given by Americans for Safe Access which shall be held annually.

Training Pass Score Requirements

Staff training for regulation and compliance will be implemented annually and all staff must PASS required mandatory tests each year regarding the handling, treatment and processing of cannabis products.

Specific Compliance procedures will be implemented to ensure that the Commercial Cannabis operation meets any directives under Fairfax and the Attorney General's Guidelines for the Security and Non-Diversion of Cannabis.

Standard operating procedures as well as written health & safety information made available to all employees. A key part of the staff training program is understanding the potency, absorption rates and effects of cannabis, and dealing with impaired patients. Supply of these documents will be reviewed for content and accuracy annually. The documents will include emergency contact information. All staff will have detailed knowledge and comprehension of the Standard Operating Procedures.

EMPLOYEE PROCESSES

POLICY NAME	STANDARD EMPLOYMENT PROCESSES
APPLICABLE LAW	Pursuant to the Division of Labor Standards Enforcement, Title 8 regulations.
POLICY OBJECTIVE	To ensure Element 7 have clear, practical, and relevant standard employment processes to operate an efficient and effective business.
ELEMENT 7 CORE VALUE	<i>'Excellence in Everything We Do'</i>
SOP PROCEDURES	<p>Employee Processes</p> <ul style="list-style-type: none"> - Personnel Policies Applicable to All Employees - Confidentiality - Personal Employee Property - Searches - Job Education - Electronic Communications - Personal Appearance and Hygiene - Tardiness and Missed Work - Jury Duty - Military Leave - Visitors - Contact with the Media - Food and Beverages - Performance Reviews - Employee Safety Procedures - Sexual Harassment - Door Safety

Personnel Policies Applicable to All Employees

Element 7's primary focus is to provide safe, high-quality cannabis to patients within the immediate Town. In order to fulfill that mission, it must remain compliant with State & Town laws concerning cannabis.

Element 7 also wants to make sure that the cannabis it sells is cultivated, processed and ultimately sold in a clean, safe, secure environment. To that end, all personnel will be expected to follow these Operational Procedures.

Confidentiality

All information that an employee gains while working for the Element 7 is deemed to be both proprietary and confidential. Confidentiality of Element 7's policy,

procedures, standards, practices, and finances will be strictly enforced. The law and our own business ethics policies require that all employees maintain complete confidentiality.

Employees shall not disclose any such information to outsiders, including other employees, third parties or members of their own family. Element 7's information is only for the use of the Element 7 and not to be used outside of the Element 7 for any reason whatsoever.

All information gained and created while employed by the Element 7 is property of the Element 7 and may not be taken or used in any fashion when leaving the Element 7. Taking or using this information for any reason will be considered theft and the Element 7 will enforce its rights to the full extent of the law.

Any disclosure of confidential information will result in disciplinary action. Element 7 will stay in compliance with HIPAA guidelines regarding confidentiality. Any violation of these policies will result in disciplinary action.

Personal Employee Property

Element 7 cannot be held responsible for lost or stolen personal property of employees. This includes both property left in a car in the parking lot, in the locker areas or elsewhere on the Element 7's property.

Searches

Upon entering the facility, employees will be searched, including the person, property, purses, bags and/or backpacks. No knives, guns or weapons of any kind are permitted in the facility.

Personal employee workspaces are subject to inspection without prior notice. This includes desks, computers, work areas, and personal property such as purses and bags. Element 7 reserves the right to conduct a personal body search if an employee is suspected of theft.

Job Education

Qualified candidates will be hired on a 3-month probationary period during which time they will receive training and evaluation.

Training education will include medical marijuana industry topics, safety, cultivation methods, legal/regulatory issues and OSHA safety training. All sales staff will undertake 'BudTender' training with a licensed and approved 3rd party training company.

Training and education will take place throughout the year as well when topics arise that need further explanation to our employees. Employee Training will be scheduled and managed under the Employee Training Program catering to the individual needs of each employee and the general requirements of the Company and Facility.

Training and education will be presented by Element 7' management and outside consultants.

Electronic Communications

Use of the Element 7's communication devices for personal reasons is strictly prohibited. This includes chatting online, accessing blogs or social networks of any kind.

Element 7 communication devices are to be used for business matters only. The possession of a cell phone, camera, video or audio recording device anywhere on Element 7 property is expressly forbidden. All such devices should be left at home or stored in the employee's vehicle. Element 7 will notify any employee if there is an emergency.

Employees are not allowed to download anything from the internet using Element 7 computers. Anything that is to be downloaded from the internet is to be done or approved by the General Manager.

All access codes and passwords will be given only to designated employees. Such access codes and passwords are confidential and may not be shared or disseminated to any third party or any other employee. Security access passwords to confidential company information, the inventory control system and access to certain areas within the facility will only be available to the management of the Element 7 or entrusted employees as needed.

Personal Appearance and Hygiene

- Employees must present themselves in a clean and odor-free fashion.
- They must wear a uniform which will be designed by Element 7.
- Employees must wash their hands after eating, smoking, using the bath areas and after break time.
- Personal expression is welcome if it is consistent with our professional image.
- Proper shaving and hygiene must be maintained by all employees. Any employee with a beard or moustache must keep them well shaven.
- Pungent perfumes or colognes are prohibited from being used by any employee during work hours.

Tardiness and Missed Work

- All employees are required to be at their workstations, ready to start work at the beginning of their assigned work shifts. That means that all employees must allow enough time to clear through security, change into their work uniforms and get to their workstations.
- Traffic or weather conditions, except for natural disasters or emergencies, are not excusable reasons for missing work.