

COMMERCIAL CANNABIS BUSINESS APPLICATION

CITY OF SALINAS COMMERCIAL CANNABIS BUSINESS **DISTRIBUTION**

APPLICANT

SANBORN DISTRIBUTION LLC

A LIMITED LIABILITY COMPANY

PREPARED BY

LAW OFFICES OF JENNIFER S. ROSENTHAL APC

JENNIFER S. ROSENTHAL, ESQ.

P.O. BOX 1021, CARMEL VALLEY, CA 93924

(831) 625-5193

(831) 601-9376 (CELL)

CITY OF SALINAS
COMMERCIAL CANNABIS BUSINESS APPLICATION
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1

1. COMMERCIAL CANNABIS APPLICATION FORM

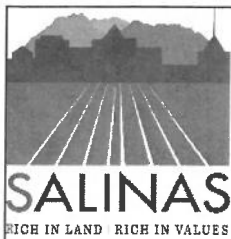
Attached please find the Sanborn Distribution LLC's (Sanborn Distribution) Commercial Cannabis Business application and accompanying supplemental information.

Introduction:

Sanborn Distribution is pursuing its first distribution facility in the California commercial cannabis industry. They intend to distribute commercial cannabis products to licensed operators in the City of Salinas, and the greater Monterey County. Sanborn Distribution's goal is to distribute the best highest quality cannabis products while improving the greater good of the City of Salinas and its residents.

Mission Statement:

Sanborn Distribution's goal is to distribute the highest quality cannabis products for the licensed commercial cannabis operators in California. All products will be professionally processed, packaged and tested. Sanborn Distribution intends to lead the local cannabis industry and operate in a fashion the benefits the local community and greater good of Monterey County.



Salinas Community Development Department

FEE PAID \$ _____

Salinas Community Development Department
65 W. Alisal Street, Salinas, CA 93901
Tel: 831-758-7206 Fax: 831-758-7215
Email: cannabis_inquiries@ci.salinas.ca.us
chrisc@ci.salinas.ca.us

DATE STAMP HERE

COMMERCIAL CANNABIS BUSINESS APPLICATION FORM

Section A: Basic Information

Business Name: Salinas Distribution LLC

Doing Business As (if applicable): _____

Business Contact (Principal): Sal Alvarez

Contact Title: Owner

Contact's Mailing Address: 8065 San Miguel Canyon Rd., Prunedale, CA 93907

Phone #: (831) 254-5323

E-mail: salalvarez@yahoo.com

Type of Permit Applied for: Distribution Facility

Accessory Use of Permit (if any): _____

Please select from one of the following categories for which you are applying for a Commercial Cannabis Application. A separate application must be completed for each type of the category in which you are submitting for consideration along with a separate fee (Dispensary, Cultivation Facility, Delivery Service, Manufacturing Business, or Distribution Facility). A separate application is not required for an accessory use. However, accessory uses are only allowed as described in the Salinas Municipal Code Chapter 5, Article VII.

- ☐ Dispensary
- ☐ Cultivation Facility
- ☐ Delivery Service
- ☐ Manufacturing Business
- ☒ Distribution Facility
- ☐ Please check this box to indicate whether there are other related applications

For details about the information required as part of the application, please see the Application Guidelines to Operate a Commercial Cannabis Business (CCB) in Salinas and the requirements for operating a CCB in Salinas listed in the Salinas Municipal Code Chapter 5 Article VII. These documents can be found on the City's cannabis permitting webpage: <https://www.cityofsalinas.org/our-city-services/community-development/commercial-cannabis-businesses>.

Section B: Principal Background Information (to be signed by all Principals)

Under penalty of perjury, I acknowledge that I have personal knowledge of the information stated in this application and that the information contained herein is true. I also understand that the information provided in this application, except the Safety and Security Plan in Section C, is public information and subject to disclosure upon request.

Principal Name: Sal AlvarezPrincipal Title: OwnerPrincipal Home or Cell Phone: (831) 254-5323Principal Home Address: 3555 Viola Dr., Aromas, CA 95004Principal Signature: Date: 10/22/19

Attachments:

- ☒ Receipt from Live Scan check
- ☒ Picture of applicant (two passport quality photographs)
- ☒ Copy of Social Security Card
- ☒ Copy of Driver's License, DMV issued ID Card or Passport
- ☒ Proof of address (DMV-issued ID/driver's license, and/or recent utility bill under Principal's name)

Staff use only: Pass background check ☐Principal Name: Jose AlvarezPrincipal Title: OwnerPrincipal Home or Cell Phone: (831) 444-2965Principal Home Address: 6242 Echo Valley Ct., Salinas, CA 93907Principal Signature: Date: 10/22/19

Attachments:

- ☒ Receipt from Live Scan check
- ☒ Picture of applicant (two passport quality photographs)
- ☒ Copy of Social Security Card
- ☒ Copy of Driver's License, DMV issued ID Card or Passport
- ☒ Proof of address (DMV-issued ID/driver's license, and/or recent utility bill under Principal's name)

Staff use only: Pass background check ☐

Principal Name: _____

Principal Title: _____

Principal Home or Cell Phone: _____

Principal Home Address: _____

Principal Signature: _____ Date: _____

Attachments:

____ Receipt from Live Scan check

____ Picture of applicant (two passport quality photographs)

____ Copy of Social Security Card

____ Copy of Driver's License, DMV issued ID Card or Passport

____ Proof of address (DMV-issued ID/driver's license, and/or recent utility bill under Principal's name)

Staff use only: Pass background check

☐

Add more pages as necessary to accommodate signatures of all Commercial Cannabis Business Principals.

Section C: Commercial Cannabis Business Organization Status

1. Describe the Commercial Cannabis Business current or planned organizational status.

Limited Liability Company.



Attach proof of status, such as articles of incorporation, by-laws, partnership agreements, and other documentation as may be appropriate or required by the City.

Section D: Commercial Cannabis Business Description and Location

1. Statement of Purpose of Commercial Cannabis Business (a separate sheet may be attached):

The purpose of the Sanborn Distribution LLC's commercial cannabis business is to distribute premium grade cannabis products that will be legally distributed throughout the City of Salinas, Monterey County and the State of California. The principals of Sanborn Distribution LLC also wish to create a positive work environment that will create job opportunities for the residents of the City of Salinas that will in turn put money back into the local economy so the entire City will benefit.

2. Proposed Location of Business: _____

743 Sanborn Place, Salinas, CA 93901.

3. Name and address of property owner: _____

Alvarez Brothers LLC

8065 San Miguel Canyon Road, Prunedale, CA 93907.

4. Name and address of school closest to Proposed Location: Monterey County Home Charter School,

901 Blanco Circle, Salinas, CA 93901, located almost one mile away from the proposed site.

5. Name and address of existing alcohol related establishment closest to Proposed Location:

Taqueria El Oaxaqueño – 737 Sanborn Place, Salinas.

6. Description of neighborhood around the proposed location (surrounding uses, nearby sensitive uses (such as schools, churches, parks, daycares, or libraries), transit access to site, etc. A separate sheet may be attached.
743 Sanborn Place is located in the IG—GW—5—AR (Industrial—General—Sanborn Road at U.S. 101 Gateway Overlay—Airport Overlay) Zoning District. The surrounding neighborhood consists of a taqueria, auto body shops, and Overhead Door Company of Salinas. Transit access to the site is provided by Monterey-Salinas Transit bus line numbers 40 and 95. There are no sensitive uses nearby except the following: Taqueria El Oaxaqueño, 737 Sanborn Pl., on-site alcohol sales; 7-Eleven, 1020 Terven Ave., alcohol sales; AM PM, 970 Work St., alcohol sales; and Los Grullenses Taqueria, 655 Sanborn Pl., on-site alcohol sales.
7. Site plan must be dimensioned and show the entire parcel including parking and additional structures. In addition, please, show elevations and photos of proposed location (Attach to application). If any exterior alterations are proposed for the existing building, also attach proposed site plans and elevations.
8. Floor Plans (Attach to application). If any interior alterations are proposed for the existing building, also attach proposed floor plans.
9. Signage Plan.
10. Vicinity Map.
11. Photos of the site and building(s).

Section E: Required supplemental information

This information is required for this application to be considered complete. Check the box evidencing that you have read the Description of Evaluation Criteria related to these specific categories in the Application Guidelines and attach the relative report(s) to the application.

- ☒ Proposed Location Information (Zoning Information Letter)
- ☒ Business Plan
- ☒ Neighborhood Compatibility Plan
- ☒ Safety and Security Plan
- ☒ Enhanced Product Safety
- ☒ Environmental Benefits
- ☒ Community Benefits
- ☒ Labor and Employment
- ☒ Local Enterprise
- ☒ Qualifications of Principals

Section F: Final Location Information

Only one site per application can be considered during Phase III. Attach proof of ownership of the site OR signed and notarized statement from the owner. This documentation is not required with initial application submittal, but is required prior to start of Phase III.

Staff use only:

Date of initial application: _____

Number assigned to application: _____

☐

Continued to Phase II

☐

Denied

Date application reviewed for Phase II: _____

Points Awarded in Phase II: _____

☐

Continued to Phase III

☐

Denied

Date Proof of ownership was verified or a signed and notarized statement from the property owner was received for Phase III: _____

Date application reviewed for Phase III: _____

Points Awarded in Phase III: _____

☐

Continued to Phase IV

☐

Denied



California Secretary of State
Electronic Certified Copy

I, ALEX PADILLA, Secretary of State of the State of California, hereby certify that the attached transcript of 1 page is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.



IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California on
this day of October 10, 2019

ALEX PADILLA
Secretary of State

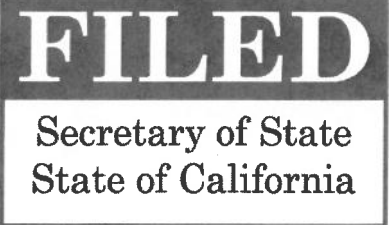
Verification Number: MHYLXA
Entity (File) Number: 201928310492

To verify the issuance of this Certificate, use the Verification Number above
with the Secretary of State Electronic Verification Search available at
bizfile.sos.ca.gov





California Secretary of State
Electronic Filing



LLC Registration – Articles of Organization

Entity Name: Sanborn Distribution LLC

Entity (File) Number: 201928310492

File Date: 10/07/2019

Entity Type: Domestic LLC

Jurisdiction: California

Detailed Filing Information

1. **Entity Name:** Sanborn Distribution LLC
2. **Business Addresses:**
 - a. **Initial Street Address of Designated Office in California:** 743 South Sanborn Road
Salinas, California 93901
United States
 - b. **Initial Mailing Address:** 743 South Sanborn Road
Salinas, California 93901
United States
3. **Agent for Service of Process:** Sal Alvarez
743 South Sanborn Road
Salinas California 93901
United States
4. **Management Structure:** All LLC Member(s)
5. **Purpose Statement:** The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act.

Electronic Signature:

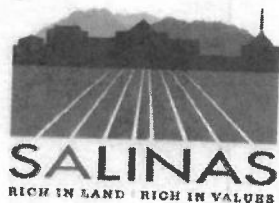
The organizer affirms the information contained herein is true and correct.

Organizer: Matt Stevens

Certificate Verification Number: MHYLYXA
Use bizfile.sos.ca.gov to verify the certified copy.

2. ZONING VERIFICATION LETTER

Attached please find the Zoning Verification Letter from the City of Salinas for the subject property located at 743 Sanborn Place, Salinas.



City of Salinas

COMMUNITY DEVELOPMENT DEPARTMENT

65 W. Alisal Street, 2nd Floor • Salinas, California 93901
(831) 758-7387 • (831) 775-4258 (Fax) • www.ci.salinas.ca.us

March 27, 2019

Sal Alvarez
8065 San Miguel Canyon Road
Prunedale, CA 93907

**RE: ZONING INFORMATION FOR COMMERCIAL CANNABIS BUSINESS (CCB)
LOCATED AT 743 SANBORN PLACE IN THE IG – GW-5 – AR (INDUSTRIAL-GENERAL –
SANBORN ROAD @ U.S. 101 GATEWAY OVERLAY – AIRPORT OVERLAY) ZONING
DISTRICT (APN 003-561-015-000)**

Dear Mr. Alvarez:

On March 20, 2019, the Community Development Department received your request for zoning information for the above referenced site in connection with a Commercial Cannabis Business (CCB) consisting of the following:

1. Dispensary
2. Cultivation Facility
3. Delivery Service
4. Commercial Cannabis Manufacturing Business
5. Testing Lab
6. Distribution

The subject site is located in the IG-GW-5-AR (Industrial- General – Sanborn Road at U.S. 101 Gateway Overlay- Airport Overlay) Zoning District (APN 003-561-015-000). The following provides an overview of the adjacent land uses and zoning districts to the site:

The subject site is located in the IG (Industrial-General) Zoning District (APN 177-141-063-000). The following provides an overview of the adjacent land uses and zoning districts to the site:

North:	IG – GW-5 – AR (Industrial-General – Sanborn Road @ U.S. 101 Gateway Overlay - Airport Overlay)/ Restaurant and Residential
South:	IG – GW-5 – AR (Industrial-General – Sanborn Road @ U.S. 101 Gateway Overlay - Airport Overlay)/ Multifamily dwellings
East:	IG – AR (Industrial-General - Airport Overlay)/ Industrial Complex
West:	Sanborn Place and South Sanborn Road

Project case files applicable to the site are listed below. Copies are available in our office for review.

1. SD2018-001 Small Distribution for Cannabis

Zoning Analysis of the proposed CCB.

1. **Dispensary:** Dispensary, which is most closely defined as Retail Sales per Zoning Code Section 37-10.420, would be permissible as an accessory use to the proposed manufacturing/cultivation/distribution CCB in the underlying zoning district. Note that Zoning Code Section 37-30.310, Table 37-30.130, Footnote 4 states that in Industrial districts only accessory retail sales, limited to thirty percent of the total square footage of all structures on a site or two thousand five hundred square feet, whichever is less, shall be allowed.
2. **Cultivation Facility:** Cultivation Facility, which is most closely defined as Nursery per Zoning Code Section 37-10.380, would be permissible in the underlying Zoning District subject to a Site Plan Review. Nurseries are limited to the IGC and IG zoning districts. However, per Zoning Code Section 37-50.350 Table 37-50.100, Nurseries require 1 space per 1,000 sq.ft. of lot area for the first 10,000 sq.ft.; 1 per 5,000 sq.ft. thereafter; plus 1 per 250 sq.ft. per sales floor area.
3. **Delivery Service:** Delivery Service, which is most closely defined as an Office, Business and Professional use (similar to a taxi dispatch office) per Zoning Code Section 37-10.390, would require a conditional use permit in the underlying Zoning District. Note that Zoning Code Section 37-30.310, Table 37-30.130, Footnote 26 states that in *IGC* and *IG* districts, accessory business and professional offices shall be limited to thirty percent of the total square footage of all structures on a site or two thousand five hundred square feet, whichever is less, shall be allowed. However, per Zoning Code Section 37-50.350 Table 37-50.100, Office, Business and Professional requires 1 space per 300 sq.ft. of gross floor area.
4. **Manufacturing:** Manufacturing, which is most closely defined as Industry, Limited per Zoning Code Section 37-10.330, would be permissible in the underlying Zoning District. subject to a Site Plan Review per Zoning Code Section 37-30.310, Table 37-30.130 and the provisions of off-street parking and compliance with Zoning Code development standards regulation. Industry, Limited requires one space for 500 sq.ft. of gross floor area. Site improvements will be required with the Site Plan Review, which include but are not limited to, landscaping, fencing, trash/recycling requirements, lighting, etc.
5. **Testing Lab:** Testing Lab, which is most closely defined as a Laboratories use per Zoning Code Section 37-10.360, would be permissible in the underlying Zoning District subject to a Site Plan Review per Zoning Code Section 37-30.310, Table 37-30.130. Per Zoning Code Section 37-50.350 Table 37-50.100, Laboratories require 1 space per 500 sq.ft. of gross floor area.
6. **Distribution:** Distribution, which is most closely defined as a Wholesale use per Zoning Code Section 37-10.470, would be permissible in the underlying Zoning District subject to a Site Plan Review. Per Zoning Code Section 37-50.350 Table 37-50.100,

Wholesale, Distribution require 1 space per 1,000 sq.ft. of gross floor area; plus 1 space per 300 sq. ft. of gross floor area for auxiliary office.

Staff understands that the proposed CCB is in the early stages of planning and may not pursue each business type listed above that were included as proposed uses in the zoning information letter application. The proposed CCB would be subject to the Site Plan Review process per Zoning Code Section 37-30.310, Table 37-30.130. Further, note that if two or more tenants are proposed, the site may be classified as an Industrial Complex as defined by Zoning Code Section 37-10.330, and be subject to a parking ratio of 1 space per 500 sq.ft. of gross floor area, plus 1 space per 300 sq.ft. of gross floor area of auxiliary office per Zoning Code Section 37-50.360 Table 37-50.100.

Analysis of Sensitive Uses.

The CCB must not be within a 600-foot radius of a day care, preschool, private/charter school or school per State Law requirements. The CCB must not also be within 1,000-foot radius of a school (including college or university), private/charter school, preschool, day care, park, church (or other house of worship), library, youth center, alcohol use, card room, retail firearm sales, smoke shop/hookah lounge, or CCB Dispensary as described in S.M.C. Section 5-07.27. Per available records, City staff has determined that the proposed CCB is located within a 600-foot radius or 1,000-foot radius of sensitive uses (measured from parcel to parcel), however, if measured from building to building, the distances are as follows:

1. 737 Sanborn Place, on-site alcohol sales (adjacent to site) – Taqueria ^{oper} El Oaxaqueno
2. 1020 Terven Avenue, off-sale alcohol sales (264 feet away) – 7-Eleven
3. 970 Work Street, off-sale alcohol sales (350 feet away) – AM PM
4. 655 South Sanborn Road, on-site alcohol sales (654 feet away) – Los Grullenses Taqueria

Note the issuance of a "Zoning Information Letter" does not mean the written evidence of permission given by the City of Salinas or any of its officials to operate a CCB nor does it not mean "permit" within the meaning of the Permit Streamlining Act, nor does it constitute an entitlement under the Zoning or Building Codes, and a regulatory permit for the purpose of regulating a CCB does not constitute a permit that runs with the land on which the CCB is established.

Zoning information may be accessed via the Internet at the following link (look for Chapter 37 Zoning at the bottom left side column):

<http://library.municode.com/index.aspx?clientId=16597&stateId=5&stateName=California>

Information regarding Building Permits, Code Enforcement, and Certificates of Occupancy may be obtained from Permit and Inspection Services, located at 65 West Alisal Street, Salinas, CA 93901 (phone 831-758-7251).

Should you need additional information from the Community Development Department, please contact me at 831-920-6543.



Legend

 City of Salinas Boundary

☐ City of Salinas Parcels

1: 9.028

0.3
0.14
0
0.3 Miles

The City of Salinas has made every reasonable effort to provide accurate and timely information. The City of Salinas does not, however, assume any responsibility, implied or otherwise, and makes no representation, warrant, guarantee, or claim regarding accuracy, omissions, or the reliance on second party data. Users are advised to seek independent verification before relying on this information.

WGS_1984_Web_Mercator_Auxiliary_Sphere
THIS MAP IS NOT TO BE USED FOR NAVIGATION

[illegible]

G.I. SIDES & ROOF
ORIGINALLY OPEN SIDES
& DIRT FLOOR
ENCLOSED SINCE 1957
NEW CONC. FLOOR

20

15

G.I. SIDE OVER WIND FRAME

STORAGE

3

1962

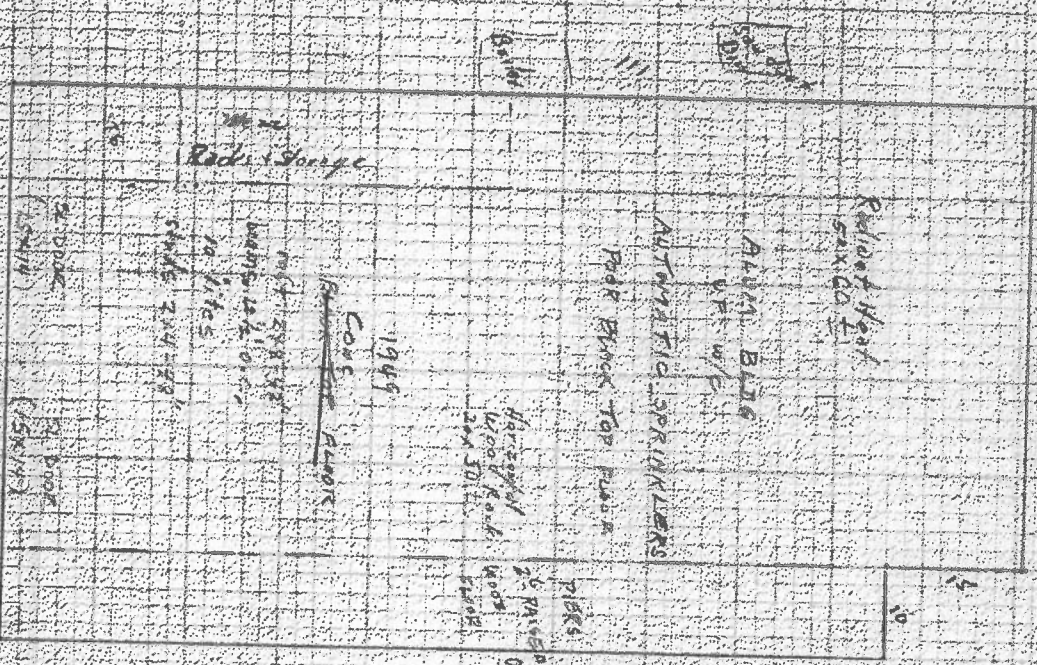
G.I. ROOF
CONC. FLOOR

2114

EXISTING WALL

STORAGE SHED HERE

From
5110-16.00
219-1-00
w/16



SPRINKLER SYSTEM
CAST 7400

50 x 111
10 x 90
5550
450
1/2 x 110

1957

3 SLIDING DOORS

5 1 BLDG

3 RAISED WOOD FLOOR

CANOE TIERS

UP INTERIOR

KT WIRING

Box Fr. 4 DC

6/1/10

NO PLUMBING

[illegible]

DESCRIPTION OF BUILDING

CLASS & SHAPE	CONSTRUCTION	STRUCTURAL	EXTERIOR	FRONT	LIGHTING	AIR CONDITION	ROOMS	FLOORS	ROOM AND FINISH DETAIL
AV	Light	Brick	Unpainted	Recessed	Wiring	Heating	Rooms	Floors	Floor Finish
ARCHITECTURE	Standard	Concrete	Brick	Recessed	Wiring	Heating	Rooms	Floors	Floor Finish
SHOP	Heavy	Brick	Brick	Recessed	Wiring	Heating	Rooms	Floors	Floor Finish
USE TYPE	Special	Reinforced	Reinforced	Recessed	Wiring	Heating	Rooms	Floors	Floor Finish
APARTMENT	Foundation	Reinforced	Reinforced	Recessed	Wiring	Heating	Rooms	Floors	Floor Finish
Garage	Concrete	Reinforced	Reinforced	Recessed	Wiring	Heating	Rooms	Floors	Floor Finish
Hotel	Concrete	Reinforced	Reinforced	Recessed	Wiring	Heating	Rooms	Floors	Floor Finish
Market	Concrete	Reinforced	Reinforced	Recessed	Wiring	Heating	Rooms	Floors	Floor Finish
Office	Concrete	Reinforced	Reinforced	Recessed	Wiring	Heating	Rooms	Floors	Floor Finish
Store	Concrete	Reinforced	Reinforced	Recessed	Wiring	Heating	Rooms	Floors	Floor Finish
Warehouse	Concrete	Reinforced	Reinforced	Recessed	Wiring	Heating	Rooms	Floors	Floor Finish

CONSTRUCTION RECORD

NO.	FOR	APPROX. YEAR	NORMAL % GOOD	RATING (EG. A.F.P.)	FINISH	FIXTURES	SHOWER
1	1949	1949	15	OR 40	75		
2	1949	1949	15	OR 40	75		
3	1949	1949	15	OR 40	75		
4	1949	1949	15	OR 40	75		
5	1949	1949	15	OR 40	75		
6	1949	1949	15	OR 40	75		
7	1949	1949	15	OR 40	75		
8	1949	1949	15	OR 40	75		
9	1949	1949	15	OR 40	75		
10	1949	1949	15	OR 40	75		
11	1949	1949	15	OR 40	75		
12	1949	1949	15	OR 40	75		
13	1949	1949	15	OR 40	75		
14	1949	1949	15	OR 40	75		
15	1949	1949	15	OR 40	75		
16	1949	1949	15	OR 40	75		
17	1949	1949	15	OR 40	75		
18	1949	1949	15	OR 40	75		
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22	1949	1949	15	OR 40	75		
23	1949	1949	15	OR 40	75		
24	1949	1949	15	OR 40	75		
25	1949	1949	15	OR 40	75		
26	1949	1949	15	OR 40	75		
27	1949	1949	15	OR 40	75		
28	1949	1949	15	OR 40	75		
29	1949	1949	15	OR 40	75		
30	1949	1949	15	OR 40	75		
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32	1949	1949	15	OR 40	75		
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42	1949	1949	15	OR 40	75		
43	1949	1949	15	OR 40	75		
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48	1949	1949	15	OR 40	75		
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54	1949	1949	15	OR 40	75		
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56	1949	1949	15	OR 40	75		
57	1949	1949	15	OR 40	75		
58	1949	1949	15	OR 40	75		
59	1949	1949	15	OR 40	75		
60	1949	1949	15	OR 40	75		
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63	1949	1949	15	OR 40	75		
64	1949	1949	15	OR 40	75		
65	1949	1949	15	OR 40	75		
66	1949	1949	15	OR 40	75		
67	1949	1949	15	OR 40	75		
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71	1949	1949	15	OR 40	75		
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74	1949	1949	15	OR 40	75		
75	1949	1949	15	OR 40	75		
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77	1949	1949	15	OR 40	75		
78	1949	1949	15	OR 40	75		
79	1949	1949	15	OR 40	75		
80	1949	1949	15	OR 40	75		
81	1949	1949	15	OR 40	75		
82	1949	1949	15	OR 40	75		
83	1949	1949	15	OR 40	75		
84	1949	1949	15	OR 40	75		
85	1949	1949	15	OR 40	75		
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87	1949	1949	15	OR 40	75		
88	1949	1949	15	OR 40	75		
89	1949	1949	15	OR 40	75		
90	1949	1949	15	OR 40	75		
91	1949	1949	15	OR 40	75		
92	1949	1949	15	OR 40	75		
93	1949	1949	15	OR 40	75		
94	1949	1949	15	OR 40	75		
95	1949	1949	15	OR 40	75		
96	1949	1949	15	OR 40	75		
97	1949	1949	15	OR 40	75		
98	1949	1949	15	OR 40	75		
99	1949	1949	15	OR 40	75		
100	1949	1949	15	OR 40	75		

COMPUTATION

Appraiser's Date	Unit	Area	Cost	Unit	Cost	Unit	Cost	Unit	Cost	Unit	Cost	Unit	Cost	Unit	Cost	Unit	Cost	Unit	Cost
SHOP	6510	2.00	13020																
SPRINKLER	6510		7400																
SYSTEM	6510		7400																
WOOD TRAIL	360																		
Wood Rods	3000																		
Wood Rods	3000																		
Partitions	1736																		
Mezzanine	540																		
Five thru doors	2																		
TOTAL			20420			20420				21350				64565					
NORMAL % GOOD			153.15			14901				81.1				19729					
N.C.L.N.D.			4269			4269				258				4930					
														30346					

2 EX 80 1540
1/2 (16 x 23) 154
2034

C.I. SIDE
CONC
ADDED SINCE 1957

LEAN TO DIRT FLOOR
ORIGINALLY CONC FLOOR
SINCE 1957

8x8
WOOD
UPRIGHTS

C.I. LEAN TO ROOF

CONC FLOOR

ALL OPEN FRONT

WOOD TRUSS
W/ 14

10ft 2x8 - 20

ROOMS 15' O.C.

WALLS 2x4 - 20

WALLS 2x4 - 20

(7) ME
36x16
17x16

5x16 80
11x21 231
3-11

1
KIDNEY
INEXPENSIVE
OFFICE
C.I. EXTERIOR
PINE PLANK WALLS
CONC FLOOR
(ADDED SINCE 1957)

MEZZ ABOVE FOR STORAGE

6' STEEL FENCE ENTIRE 100 FT OF LOT

3

4. PROPOSED BUSINESS LOCATION

Proposed Location:

The proposed location for the Sanborn Distribution facility is 743 Sanborn Place, Salinas, CA 93901 (APN 003-561-015-000). The principals of this application own the parcel. Attached to Section 17 please find the grant deed of the subject property showing proof of ownership.

Zoning Designation:

743 Sanborn Place is located in the IG-GW-5-AR (Industrial – General – Sanborn Road at U.S. 101 Gateway Overlay – Airport Overlay) Zoning District.

Sensitive Uses:

The following sensitive uses have been determined to be located within the 1,000 foot radius of alcohol sales:

- Taqueria El Oaxaqueño – 737 Sanborn Place (adjacent to the proposed site) on-site alcohol sales
- 7-Eleven – 1020 Terven Avenue (264 feet away) off-sale alcohol sales
- AM PM – 970 Work Street (350 feet away) off-sale alcohol sales
- Los Grullenses Taqueria – 655 Sanborn Place (654 feet away) on-site alcohol sales

743 is not located within a 1,000 foot radius of any schools, parks, libraries, daycare centers or churches. The closest school is: Monterey County Home Charter School, 901 Blanco Circle, Salinas 93901.

5. SITE PLAN AND PHOTOS

Attached please find the site plan and floor plan for the proposed manufacturing facility to be located at 743 Sanborn Place, Salinas.

Please note that the included site plans represent the current layout of the property. Substantial building improvements will be made to each building following receipt of building permits issued by the City of Salinas.

- Building A is the proposed retail site of Sanborn Retail LLC.
- Building B is the proposed manufacturing site of Sanborn Manufacturing LLC.
- Building C is the proposed distribution site of Sanborn Distribution LLC.

SITE MAP



PROJECT:

PROJECT TEAM

PROJECT DATA

PROPERTY: ADDRESS	743 SANBORN SALINAS, CA 93901
ASSESSOR'S PARCEL # :	009-081-015-000
ZONING:	INDUSTRIAL
LOT/BLK:	
GENERAL DESIGNATION:	R-5
TYPE OF CONSTRUCTION:	VB
FIRE SPRINKLED:	MAIN HOUSE - NO
LOT SIZE (SqFt.):	1.001 ACRES = 43,560
BUILDING HEIGHT:	EXISTING HEIGHT
BUILDING SQFT:	EXISTING SQFT =
GRADING ELEVATION:	85CY / ELEV:CY

STRUCTURAL CALCS INCLUDED WITH SUBMITTAL

PROJECT DESCRIPTION

- THIS PROJECT INCLUDES THE INTERIOR REMODEL OF THE KITCHEN AND BATHROOM AREAS OF THIS RESIDENCE. THE PLUMBING AND ELECTRICAL OF THESE SPACES WILL BE UPDATED AS WELL. ALSO INCLUDED IS THE VAULTING OF LIVING ROOM CEILING. THE LAUNDRY AREA WILL BE RELOCATED FROM THE GARAGE TO THE BATHROOM.

CODE COMPLIANCE

CODE EDITIONS:
2017 CALIFORNIA RESIDENTIAL CODE (CBC) AND 2017 CALIFORNIA GREEN BUILDING STANDARDS CODE, AND
2017 CALIFORNIA MECHANICAL, PLUMBING, ELECTRICAL, CFC, & 2017 CALIFORNIA ENERGY CODE, AS WELL AS
MONTREAL CO. CODE (18.02.070 MCC)

1. CONTRACTOR LICENSE: THE CONTRACTOR(S) PERFORMING THIS WORK DISCLOSED BY THESE PLANS AND SPECIFICATIONS SHALL BE PROPERLY AND CURRENTLY LICENSED DURING THE EXECUTION OF THE PROJECT AND SHALL NOT PERFORM WORK OUTSIDE THE LEGAL SCOPE OF ANY LICENSE.

2. SCOPE: THE CONTRACTOR SHALL PROVIDE AND PAY FOR ALL LABOR, MATERIALS, TOOLS, EQUIPMENT AND MACHINERY, TRANSPORTATION, WATER, HEAT, ELECTRICAL, TELEPHONE, AND ANY OTHER RELATED ITEMS NECESSARY FOR THE PROPER EXECUTION AND TIMELY COMPLETION OF THE WORK.

- [illegible]

SHEET NUMBER:

SHEET 1 OF 2 SHEETS

1042 EOLAN AVE. • PACIFIC GFTONE, CALIFORNIA 90960
(310) 871-0905, 8911 •



HOMELIFE DESIGN STUDIO

HOMELIFE
DESIGN STUDIO

RESIDENTIAL DESIGN - LEED AP
743 SANBORN PL.
SALINAS, CA 93901
(831) 735-8814
www.homelife-design-studio.com

PROJECT:

SANBORN PL.
PROPERTY

743 SANBORN PL.
SALINAS, CA 93901

APN: 009-361-015-000

PROJECT NO:

OWNER
JOE ALVAREZ
743 SANBORN PL.
SALINAS, CA 93901
831-444-2985

SHEET TITLE:
EXISTING SITE PLAN

SCALE: 1/8"=1'-0"

DRAWN BY: TOM STEWART

PRINT DATE: APRIL 3, 2019

PLANNING PERMIT SUBMITTAL DATE:

BUILDING PERMIT SUBMITTAL DATE:

DATE BRIDED FOR CONSTRUCTION:

REVISIONS:

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VIEW:

FILE:

SHEET NUMBER:

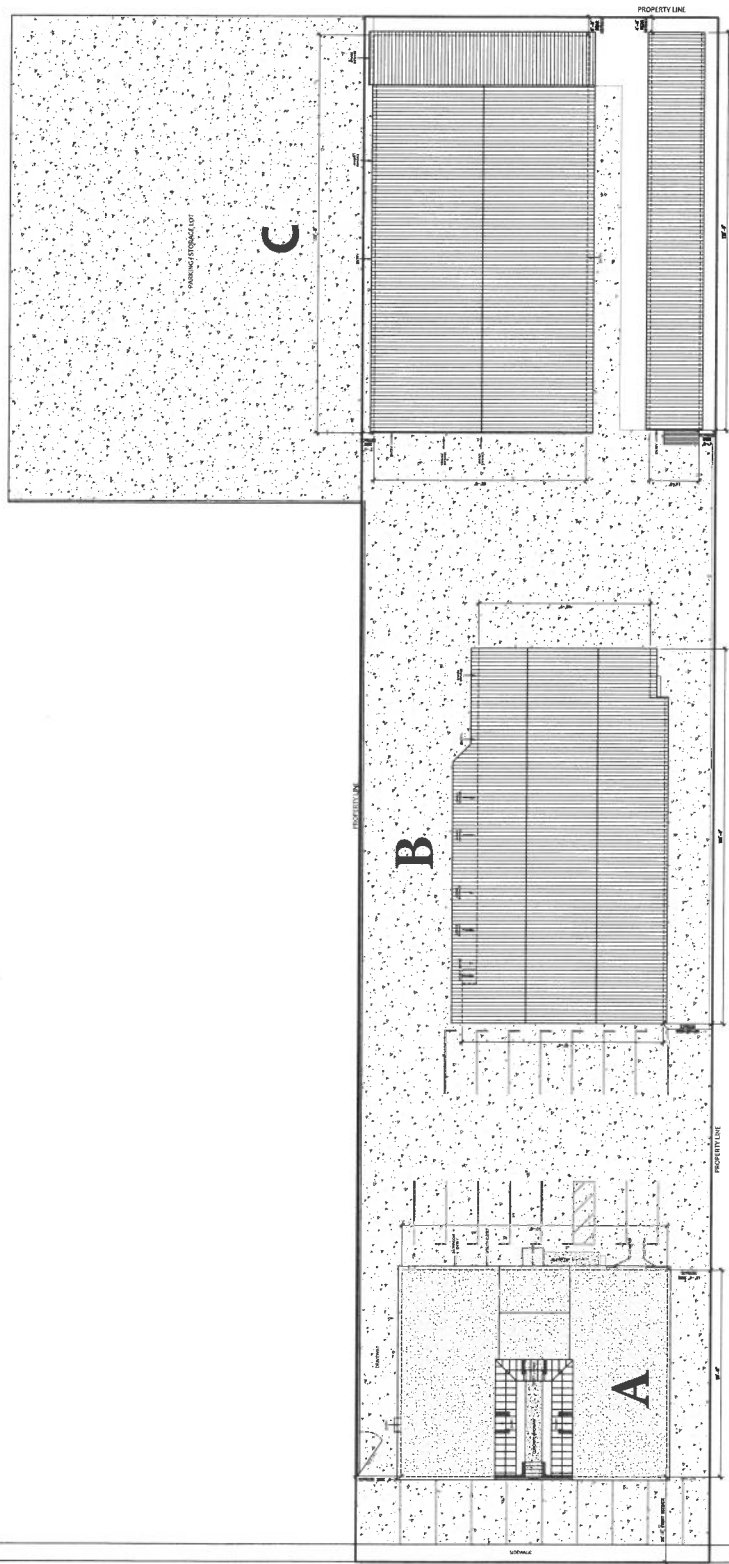
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SHEET 2 OF 2 SHEETS

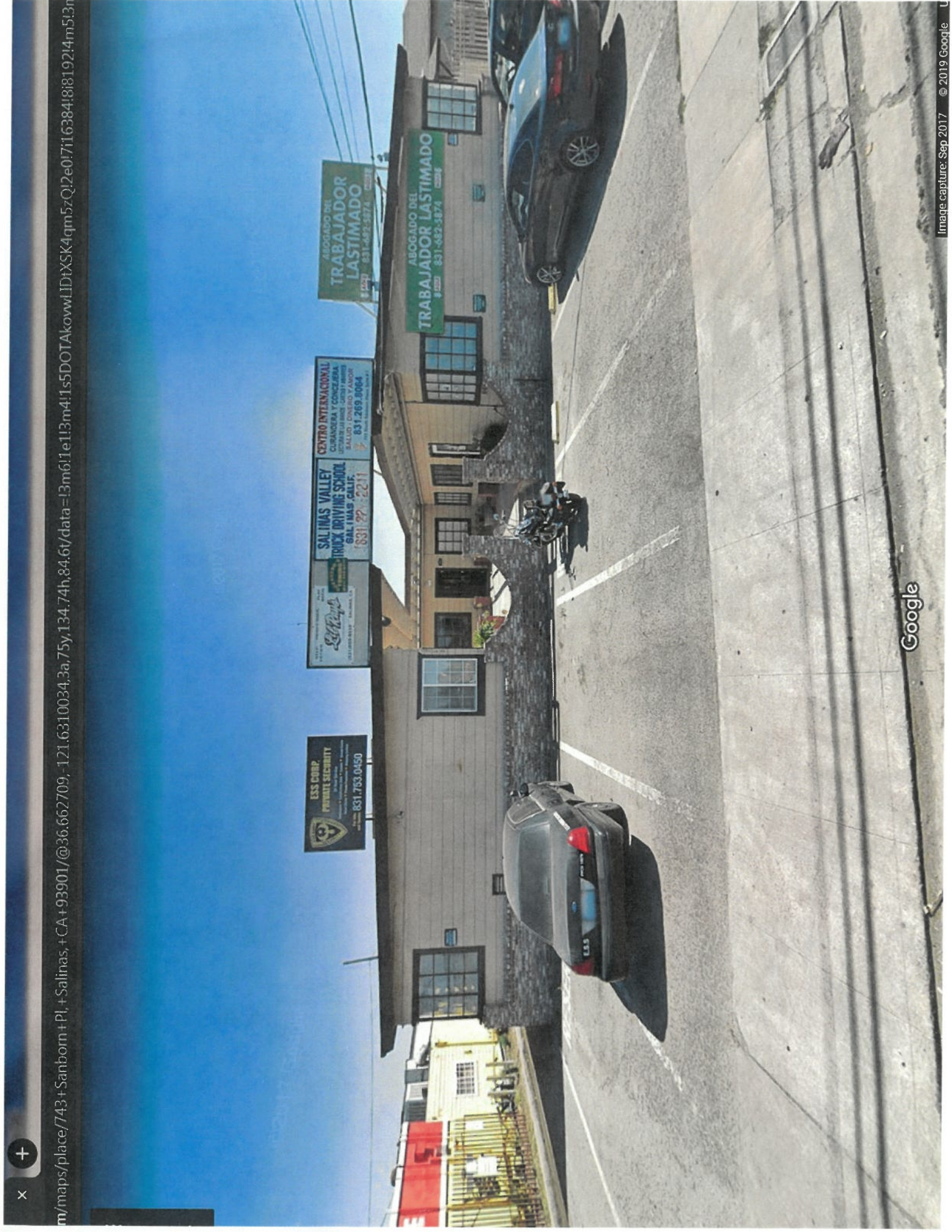
REGISTERED ARCHITECT
STATE OF CALIFORNIA
NO. 10111
JAMES J. STEWART

EXISTING SITE PLAN

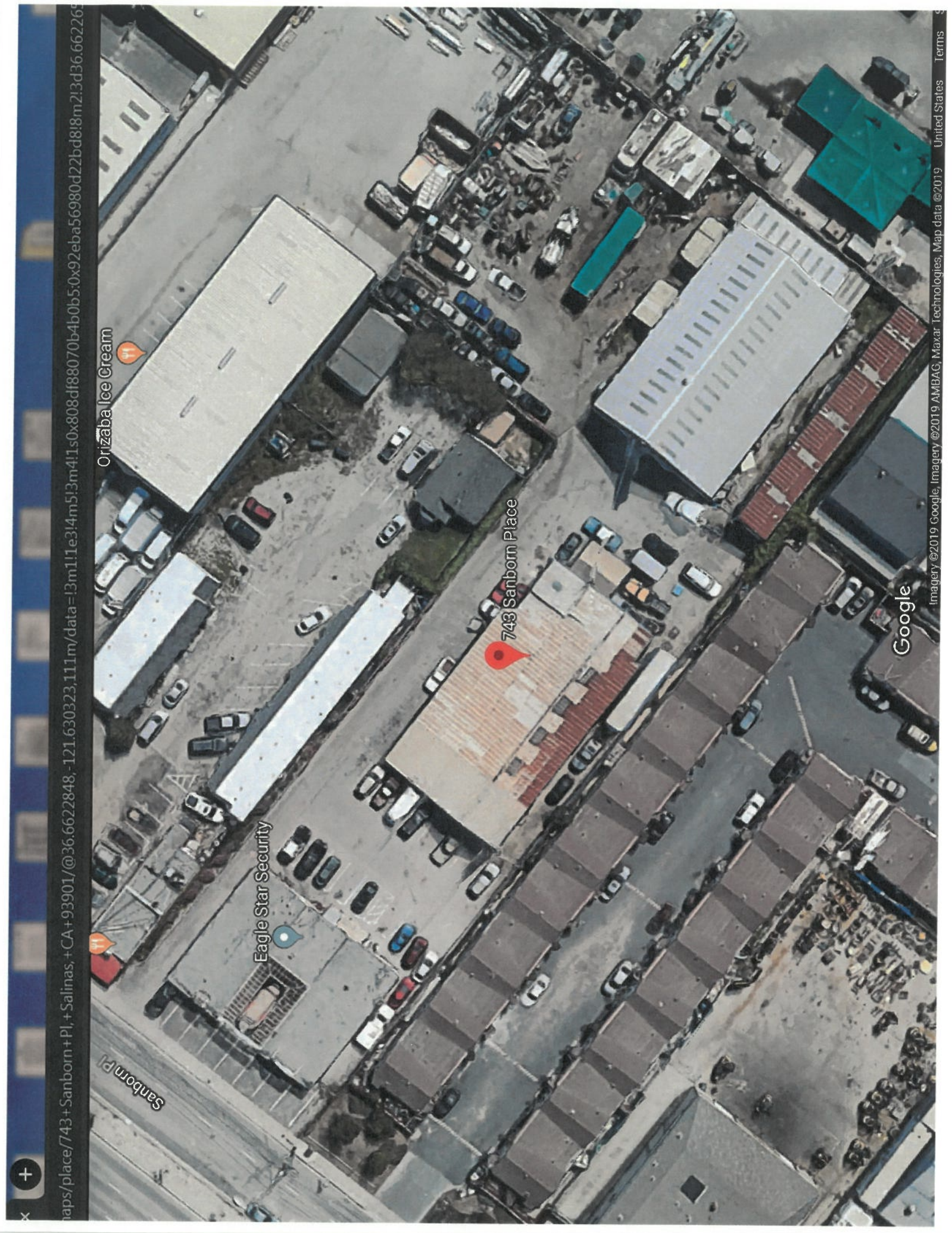
ARCHITECTURAL SCALE: 1/8"=1'-0"



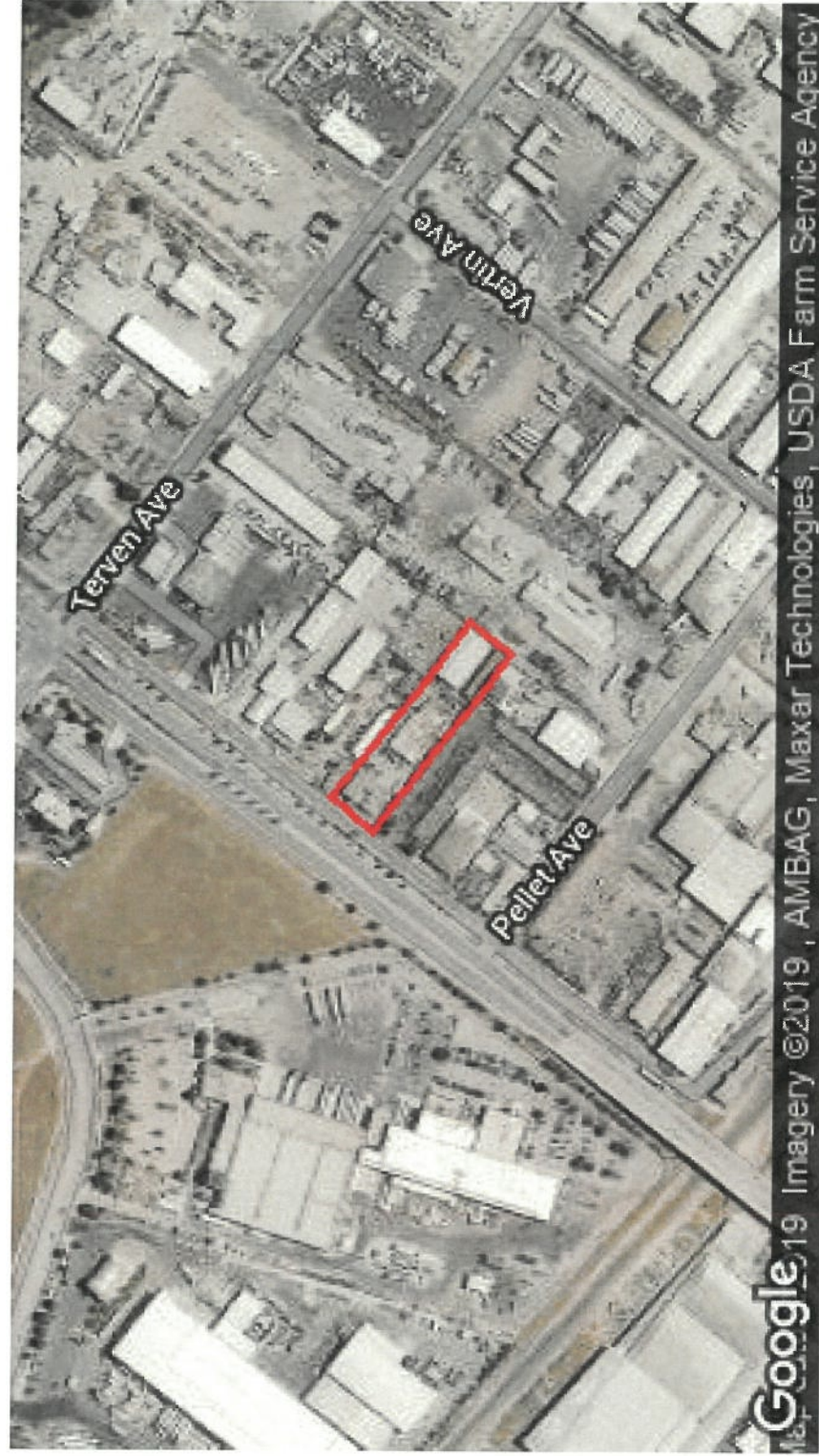
SANBORN PL.



Google



maps/place/743+Sanborn+Pl,+Salinas,+CA+93901/@36.6622848,-121.630323,111m/data=!3m1!1e3!4m5!3m4!1s0x808df88070b4b0b5:0x92eba56980d22bd8:m2!3d36.662266



6

6. APPLICANT'S BUSINESS ORGANIZATION STATUS

Attached please find the Articles of Organization and Operating Agreement for Sanborn Distribution LLC a duly formed limited liability company.



California Secretary of State
Electronic Certified Copy

I, ALEX PADILLA, Secretary of State of the State of California, hereby certify that the attached transcript of 1 page is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.



IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California on
this day of October 10, 2019

ALEX PADILLA
Secretary of State

Verification Number: MHYLXA
Entity (File) Number: 201928310492

To verify the issuance of this Certificate, use the Verification Number above
with the Secretary of State Electronic Verification Search available at
bizfile.sos.ca.gov





California Secretary of State
Electronic Filing

FILED

Secretary of State
State of California

LLC Registration – Articles of Organization

Entity Name: Sanborn Distribution LLC

Entity (File) Number: 201928310492

File Date: 10/07/2019

Entity Type: Domestic LLC

Jurisdiction: California

Detailed Filing Information

1. Entity Name: Sanborn Distribution LLC
2. Business Addresses:
 - a. Initial Street Address of Designated Office in California: 743 South Sanborn Road
Salinas, California 93901
United States
 - b. Initial Mailing Address: 743 South Sanborn Road
Salinas, California 93901
United States
3. Agent for Service of Process: Sal Alvarez
743 South Sanborn Road
Salinas California 93901
United States
4. Management Structure: All LLC Member(s)
5. Purpose Statement: The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act.

Electronic Signature:

The organizer affirms the information contained herein is true and correct.

Organizer: Matt Stevens

Certificate Verification Number: MHYLXA
Use bizfile.sos.ca.gov to verify the certified copy.

7. NAMES OF OWNERS AND OFFICERS

Sal Magana Alvarez

DOB: October 22, 1969
Birth Place: Puruandiro Mexico
Address: 8065 San Miguel Canyon Road
Prunedale, CA 93907
Email: salalvarez@yahoo.com

Jose Magana Alvarez

DOB: February 8, 1968
Birth Place: Puruandiro Mexico
Address: 8065 San Miguel Canyon Road
Prunedale, CA 93907
Email: a.aelectrict58@yahoo.com

Please see Section 1 for more information and photos.

8

8. OPERATING PLAN

- 8A. DAY TO DAY OPERATIONS**
- 8B. CONFORMING TO STATE AND LOCAL LAW | DIVERSION PREVENTION**
- 8C. TRACK AND TRACE**
- 8D. PROPOSED CONSTRUCTION AND TIMELINE FOR COMPLETION**
- 8E. ESTIMATED BUDGET**
- 8F. PROOF OF CAPITALIZATION**
- 8G. PRO FORMA**

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8A. DAY TO DAY OPERATIONS

OVERVIEW OF OPERATING PROCEDURES

Each day, Monday through Saturday, will begin with the opening of the facility by a manger accompanied by at minimum one member of the security team, at 7:00 am (the facility will open at 8:00 am and close at 6:00 pm). Before unlocking the door and disarming the alarm, a walk around the building will be performed by security to ensure there is nothing out of the ordinary, and to determine if anyone is loitering around the facility. More detailed security procedures are outlined in our security plan (please see Section 10).

Once the outside of the premises is deemed secure, the manager unlocks the entrance to the facility and disarms the alarm system. A quick walkthrough is completed by the manager and security to ensure the inside of the premises have not been compromised in any way. Then any other staff members that are scheduled for pre-opening duties will be allowed through the same entrance, will clock in using the BioTrackTHC employee management platform, and begin the process of preparing the facility for the daily operations. The primary objectives of the pre-opening duties are:

- Taking an initial count of inventory:
 - Product scheduled for delivery
 - Product segregated and awaiting test results
 - Product awaiting intake review
- Testing the BioTrackTHC inventory system ensuring inventory controls, sales tracking data, and record production functions are operating properly.
- Ensuring lights are functioning, roll up door is open, and there are no abnormalities or hazards anywhere that could affect staff operations.
- Team meeting to discuss orders on the board and special considerations for that day.

Sales Staff:

Sales team members begin the day at 8:00 am. Salespersons open their emails, check voicemail, and will clock in using BioTrackTHC employee management platform. They will review their sales orders and await the company morning meeting.

Each day begins with a company meeting. After the morning meeting, the sales begin. All salespersons will divide their time between calling on accounts in the field and providing in house sales support.

Outside Sales:

When calling on accounts all salespersons will provide samples, test results, and information & promotional materials on new medicinal cannabis products. With each new product brought into inventory comes another new varietal of medicine that their customers need to be informed on how to dispense. They provide both the products and the product knowledge needed to properly dispense the

products to patients. Training staff and providing key information is at the foundation of exceeding customer expectations.

Inside Sales:

When in the office sales team members will answer sales calls, respond to emails, and schedule appointments to visit their customers. They will provide sales analysis and foresight to administrative and facility staff.

Facility Staff:

The employees of Sanborn Distribution are experienced professionals who are employed under all applicable laws of the State of California. The number of total employees will be approximately three (3). All employees are paid fair and reasonable wages and are guaranteed a safe, fair, and equal opportunity workplace under the laws of the State of California. Upon hire, all employees will be given a comprehensive employee handbook outlining their rights and responsibilities, of which they are required to agree to and provide signature indicating they agree with the stated provisions. Before beginning any position, all employees will be provided detailed training regarding safety procedures, including fire emergency procedure, health safety procedure for fellow employees, conflict resolution, and security protocol in the event of a security situation. In addition to the employee handbook, each employee will be provided a written set of requirements and expectations to ensure the overall smooth operation of each day's business. While some personnel expressly work a given position for much of their time spent at the facility, each employee is encouraged to learn the responsibilities of all available positions, to be able to fill in anywhere as necessary. The exception to this is that of security specialists, whose main responsibility is the safety and security of the staff, and are required to have specific training and certification in this area.

Facility staff begin each day by verifying current inventory: both product in intake-quarantine awaiting test results and label reviews, as well as in current stock. They will print out a BioTrackTHC sales report for orders that need to go out that day. Facility staff is responsible for adhering to shipping and receiving protocols; packaging and labeling flower product as required, and maintaining clean and orderly inventory.

Administrative Staff:

Administrative staff will arrive at 8:00 am daily Monday - Saturday. Administrative staff responsibilities include:

- Track and Trace Oversight
- Record Keeping
- Compliance
- Keeping distribution operations Insured and Bonded to the level required by State Bureau
- Purchasing
- Accounting
- Tax Tracking and Records

Inventory Manager:

Responsible for inventory control and track and trace procedures from procurement to sale. All cannabis products brought into inventory will be continuously stored separately from verified inventory, until the following occurs:

- The cannabis batch passes the testing requirements pursuant to this division and is transported to a licensed retailer.
- The cannabis batch fails the testing requirements pursuant to this division and is destroyed or transported to a manufacturer for remediation as allowed by the Bureau or the Department of Public Health.
 - Sanborn Distribution shall arrange for a testing laboratory to obtain a representative sample of each cannabis batch at the premises. After obtaining the sample, the testing laboratory representative shall maintain custody of the sample and transport it to the testing laboratory.
 - Upon issuance of a certificate of analysis by the testing laboratory that the cannabis batch has passed the testing requirements pursuant to this division, the applicant shall conduct a quality assurance review before distribution to ensure the labeling and packaging of the cannabis and cannabis products conform to the requirements of this division.

From there, a combination of batch production record instruction, inventory management, and product shipping manifests ensure that an accurate traceable record of produced cannabis is maintained. The overall time frame from samples being taken to the return of analytical reports is expected to be approximately one week, in line with historical data provided by the testing laboratory (local third-party testing facility).

Products:

Sanborn Distribution intends to provide a variety of cannabis products to dispensaries and manufacturers locally in Monterey County and the surrounding area. Sanborn Distribution's proposed new distribution facility will focus on sourcing popular cannabis selections from local cultivators and manufacturers, and provide them to retail sites in the City of Salinas, Monterey County and throughout the state.

Sanborn Distribution will pride itself on providing the largest selection of Monterey County locally produced and manufactured cannabis products. These products will include:

- Cannabis flower
- Vapor cartridges
- Oral applicators
- Oral sprays
- Soft gel caps
- Concentrates (i.e. shatter, wax, crumble, rosin, etc.)
- Edibles
- Tinctures
- Salves

- Balms
- Lotions
- Bath bombs
- Cosmetics

Sanborn Distribution will offer a sufficient variety of cannabis products to potentially provide relief from many known ailments, and will keep abreast of ongoing research by industry/medical professionals to further refine product lines it distributes from a health standpoint and to obtain further varieties to address medical conditions for which its use is authorized under California law.

3rd Party Testing:

Cannabis products are sampled and tested to ensure that data is obtained prior to further packaging, labeling, or sale of medicinal cannabis. Testing is performed to provide analysis for the following medicinal cannabis content and purity attributes:

- Impurities
- Mycotoxin
- Microbiology
- Heavy Metals
- Chemical Residue
- Pesticide Content

Pass/Fail criteria will comply with the State of California and Local Guidelines.

Content

- THC%
- THCA%
- CBD%
- CBDA%
- Other (will be identified on label if greater than 0.1%)

Our batch record and BioTrackTHC software application mandates the inclusion of the 3rd party laboratory results into our batch record keeping data and ultimately the product label. Only cannabis products that have passed all testing may be brought into inventory as products for sale. The content profile will be included on final package labeling.

After testing, cannabis and cannabis products fit for sale will be stored in inventory until transported for sale to the premises of a licensed retailer, micro-business, or manufacturer.

Quality Assurance Review:

Before lab-tested product can be brought into inventory and allowed for sale, the Inventory Manager must verify the product packaging and labeling meets the following criteria:

- Verify the product is not misbranded.
- A cannabis product is misbranded if it is any of the following:

- Manufactured, packed, or held in this state in a manufacturing premises not duly licensed as provided in this division.
 - Its labeling is false or misleading in any way.
 - Its labeling or packaging does not conform to requirements or any other labeling or packaging requirement established pursuant to this division.
- It is unlawful for any person to manufacture, sell, deliver, hold, or offer for sale a cannabis product that is misbranded.
- It is unlawful for any person to misbrand a cannabis product.
- It is unlawful for any person to receive in commerce a cannabis product that is misbranded or to deliver or offer for delivery any such cannabis product.
- Verify edibles are:
 - Not designed to be appealing to children or easily confused with commercially sold candy or foods that do not contain cannabis.
 - Produced and sold with a standardized concentration of cannabinoids not to exceed ten (10) milligrams tetrahydrocannabinol (THC) per serving.
 - Delineated or scored into standardized serving sizes if the cannabis product contains more than one serving and is an edible cannabis product in solid form.
 - Homogenized to ensure uniform disbursement of cannabinoids throughout the product.
 - Manufactured and sold under sanitation standards established by the State Department of Public Health, in consultation with the Bureau, that are similar to the standards for preparation, storage, handling, and sale of food products.
 - Provided to customers with sufficient information to enable the informed consumption of the product, including the potential effects of the cannabis product and directions as to how to consume the cannabis product, as necessary.
 - Cannabis, including concentrated cannabis, included in a cannabis product manufactured in compliance with law is not considered an adulterant under state law.
- Verify cannabis products have not been adulterated. A cannabis product is considered adulterated if any of the following are true:
 - It has been produced, prepared, packed, or held under unsanitary conditions in which it may have become contaminated with filth or in which it may have been rendered injurious.
 - It consists in whole or in part of any filthy, putrid, or decomposed substance.
 - It bears or contains any poisonous or deleterious substance that may render it injurious to users under the conditions of use suggested in the labeling or under conditions as are customary or usual.
 - It bears or contains a substance that is restricted or limited under this division or regulations promulgated pursuant to this division and the level of substance in the product exceeds the limits specified pursuant to this division or in regulation.
 - Its concentrations differ from, or its purity or quality is below, that which it is represented to possess.
 - The methods, facilities, or controls used for its manufacture, packing, or holding do not conform to, or are not operated or administered in conformity with, practices established by regulations adopted by the state to ensure that the cannabis product meets the requirements and has the concentrations it purports to have and meets the quality and purity characteristics that it purports or is represented to possess.

- Its container is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health.
- It is an edible cannabis product and a substance has been mixed or packed with it after testing by a testing laboratory so as to reduce its quality or concentration or if any substance has been substituted, wholly or in part, for the edible cannabis product.

Security:

Security is a primary focus in all aspects of the operation of Sanborn Distribution. All operational procedures have been developed and outlined in conjunction with a separate comprehensive security plan. Conducting business in the cannabis industry is unique, and our experience and attention to detail is one of the key components to our success. Please see Section 10 for a detailed security plan.

Market Analysis Summary:

City of Salinas

Salinas has a population of over:	147,000
Population of Age 21 and Over:	102,363
Potential Marketplace:	+69% population

Over 102,000 people will be potential customers of the dispensaries we provide products to.

County of Monterey

Monterey County has a population of over:	396,000
Population of Age 21 and Over:	267,574
Potential Marketplace:	+67.6% population

Over 267,000 people will be potential customers of the dispensaries we provide products to.

**<https://suburbanstats.org/population/california/how-many-people-live-in-Salinas>*

Strategy and Implementation Summary:

Sanborn Distribution will expand its distributed products base and sell to dispensaries in the City of Salinas, the surrounding Monterey County and throughout the state. It is Sanborn Distribution's goal is to become known as a top quality local cannabis provider and we will use that identity to advertise the new service to retail sites.

Competitive Edge:

The competitive edge of Sanborn Distribution is commitment to product quality, diversity, and great prices. The company's local roots and location assures excellent availability of product sourced from its pre-established network within the Monterey County Cannabis Community.

Sales Strategy:

Sanborn Distribution will employ two sales approaches for its target customers:

Retail/Dispensaries:

Sanborn Distribution will provide a wide variety of the highest quality cannabis products available. Different varieties of cannabis products can provide different palliative effects, from pain relief to appetite stimulus to stress relief and even metabolic controls thought to possibly assist in the management of health issues such as diabetes. Cannabis also comes in different strengths (a range of concentrations of the active ingredients). The applicants will offer a sufficient variety of cannabis to provide products for all persons over 21 years old, and will keep abreast of the ongoing research by industry professionals to further refine the product lines it dispenses from a health standpoint and to obtain further varieties to address medical conditions for which its use is authorized under California law.

The applicants will offer topical and edible cannabis products that are non-psychoactive and high in CBD content, plus educational materials about the different types of medicinal cannabis available and the different means for ingesting cannabis. Product lines will feature external and internal salves, tinctures, balms and creams, as well as products developed specifically to potentially assist in the treatment of seizure disorders and metabolic disorders such as diabetes and obesity.

Transportation:

Vehicles:

All vehicles used for transporting cannabis goods will contain a box that can be locked and that is secured to the inside of the vehicle or trailer. Cannabis goods will remain locked in the box during transport. The vehicle/trailer will be locked and secured when left unattended. The vehicle may not be left unattended or parked overnight in a residential area if it contains cannabis goods. All delivery vehicles will be parked in the Sanborn Distribution parking lot, which is secured by a gate, barbwire, locks, and a security guard overnight at the end of each delivery day.

Only Sanborn Distribution employees may be in commercial delivery vehicles while transporting cannabis. Only persons of age 21 years or older and possessing a current California driver's license will be eligible for Delivery Personnel.

Vehicle Security:

All vehicles will be equipped with high-security locking storage boxes, attached to inside of the vehicle, ensuring product remains secure from distribution facility to licensed dispensary. In the event that large box trucks are utilized, high security locks will be placed on outside of rolling doors to prevent access and deter theft. All drivers will be employed directly by Sanborn Distribution. There will be no outside or third-party contractors.

Shipping Manifests:

Prior to transporting cannabis or cannabis products, Sanborn Distribution shall do the following:

- Complete an electronic shipping manifest as prescribed by the licensing authority. The shipping manifest shall include the unique identifier, pursuant to Section 26069, issued by the Department of Food and Agriculture for the original cannabis product.
- Securely transmit the manifest to the Bureau and the licensee that will receive the cannabis product. The bureau shall inform the Department of Food and Agriculture of information pertaining to commercial cannabis activity for the purpose of the track and trace program identified in Section 26067.
- During transportation, Sanborn Distribution shall maintain a physical copy of the shipping manifest and make it available upon request to agents of the Department of Consumer Affairs and law enforcement officers.
- The licensee receiving the shipment shall maintain each electronic shipping manifest and shall make it available upon request to the Department of Consumer Affairs and any law enforcement officers.
- Upon receipt of the transported shipment, the licensee receiving the shipment shall submit to the licensing authority a record verifying receipt of the shipment and the details of the shipment.

All manifests will include:

- The licensee receiving the product.
- The transaction date.
- The cultivator from which the product originates, including the associated unique identifier pursuant to Section 26069.
- The variety and quantity or weight of products shipped.
- The estimated times of departure and arrival.
- The variety and quantity or weight of products received.
- The actual time of departure and arrival.
- A categorization of the product.
- The license number and the unique identifier pursuant to Section 26069 issued by the licensing authority for all licensees involved in the shipping process, including, but not limited to, cultivators, manufacturers, distributors, and dispensaries.
- Upon receipt of the transport shipment the licensee receiving the shipment shall submit to the licensing authority a record verifying receipt of the shipment and details of the shipment.
- All shipments received shall be maintained electronically and shall be made available upon request of the City of Salinas or the Department of Consumer Affairs or any other law enforcement agency.

Taxes:

One of the main roles of the administrative staff is to ensure all required excise taxes are recouped from our customers, as required by the State Bureau of Cannabis Control. The requirements will be met as follows:

- Sanborn Distribution shall collect the cannabis excise tax from the cannabis retailer on or before 90 days after the sale or transfer of cannabis or cannabis product to the cannabis retailer, or at the time of retail sale by the cannabis retailer, whichever is earlier. The applicant shall report and remit the cannabis excise tax to the department pursuant to Section 34015. A cannabis retailer shall be responsible for collecting the cannabis excise tax from the purchaser and remitting the cannabis

excise tax to the Sanborn Distribution in accordance with rules and procedures established under law and any regulations adopted by the department.

- Sanborn Distribution shall provide an invoice, receipt, or other similar document to the cannabis retailer that identifies the licensee receiving the product, the distributor from which the product originates, including the associated unique identifier, the amount of cannabis excise tax, and any other information deemed necessary by the department.
- The applicant shall provide to the cultivator or shall provide to the manufacturer, an invoice, receipt, or other similar document that identifies the licensee receiving the product, the cultivator from which the product originates, including the associated unique identifier, the amount of cultivation tax, and any other information deemed necessary by the department.

b

8B. CONFORMING TO STATE AND LOCAL LAW

Sanborn Distribution's legal compliance with state and local laws is discussed in detail throughout the various sections of this application. The applicants will comply with all City of Salinas regulations applicable to and surrounding commercial cannabis businesses as well as the State of California regulations applicable to commercial cannabis including but not limited to SB 94 and AB 133.

DIVERSION PREVENTION

Overview

Sanborn Distribution will implement diversion prevention measures and adhere to strict protocols in compliance with all regulations and requirements set forth by the City of Salinas and State of California. Further, Sanborn Distribution will only work with cannabis businesses that are licensed by the State of California.

Diversion Prevention: Track and Trace

In order to prevent diversion of cannabis products, Sanborn Distribution will implement track and trace, seed to sale tracking product through BioTrackTHC software platform. This system will constantly monitor, track and update our product supply chain status. Please see Section 8C for a detailed description of BioTrackTHC.

Diversion Prevention: Employees

Any personnel found to have committed any act of theft of theft by diversion of cannabis products at the property or during transportation of products will be immediately terminated and the incident will be reported to the Salinas Police Department within twenty-four (24) hours. Any and all incidents will also be logged in the BioTrackTHC software program.

Diversion Prevention: Visitors and Vendors

All visitors and vendors will be escorted by a designated employee for the duration of their time on the property.

Diversion Prevention: Trespassers

The property will be secured with video surveillance surrounding all property lines and entrances/exits. In addition, there will be an on-site security personnel twenty-four (24) hours a day. All cannabis products ready for transport from the premises will be kept in a secured vault located in a secured location on the property.

Diversion Prevention: Storage

Cannabis products that are ready for distribution shall be housed within the vault located in a secure location on the property. The location where the vault is housed will be secured by extensive, multi-angled, and night-vision capable video surveillance and will be accessible to a limited number of select high ranking Sanborn Distribution employees.

Diversion Prevention: Video Surveillance

Sanborn Distribution will employ internal and external video surveillance of the entire parcel and specifically in areas of ingress and egress as well as packaging areas. Video surveillance will cover external and internal areas at all times throughout day and night. Surveillance footage will be recorded and stored for inspection by the Salinas Police Department or other appropriate authorities for a minimum period of ninety (90) days.

Diversion Prevention: Transportation

All products will be transferred from our facility to transport vehicles under strict protocol mandating employee and transporter dual verification at the time of loading/transfer. All transfer of product will be recorded on our video surveillance system.

Youth Restrictions

No one under the age of eighteen (18) will be permitted onsite for any reason at any time. Through our diversion prevention program that includes robust track and trace measures and strict chain of custody procedures, diversion is highly unlikely.

c

8C. TRACK AND TRACE

Sanborn Distribution will use the BioTrackTHC software platform to track and trace all cannabis that enters and leaves the facility. The administrative staff shall keep records of all transactions made during its operations, and shall account for all cannabis and funds collected and distributed, including the names of suppliers and customers, dates of pickups and deliveries, an inventory of all products involved in each transaction, and the amounts and methods of payment for each transaction. Sanborn Distribution records will be made available to the Chief of Police or his/her designee within 24 hours upon request. All records will be kept indefinitely.

Inventory Procedures/Track and Trace

Tracking cannabis from seed-to-sale requires cannabis specific platform software to maintain compliance with all cannabis regulations. Sanborn Distribution will use BioTrackTHC Software Platform. Please see the attached BioTrackTHC Software information.

BioTrackTHC is a fully integrated Point of Sale (POS), Inventory Control, and Management system. This software has been specifically designed to serve the cannabis industry.

The use of this system allows this facility to track the chain of custody and real-time whereabouts of the cannabis products from the point that it is received by a vendor until it is sold, destroyed, or returned to the vendor. This also allows for proper reconciliation of all financials, proof of tax compliance, and prevention of diversion.

BioTrackTHC supports:

- Tracking of every product in every form
- Packaging
- Labeling
- Sales
- Adjustments
- Conducting audits
- Disposal of unusable cannabis
- Maintaining records indefinitely
- Managing Purchases and Amounts
- Employee records, time clock, and transaction history

The procurement, display, pricing and management of all inventory carried by Sanborn Distribution falls under the supervision of the General Manager and the Inventory Manager.

All inventory is kept inside the locked safe, or in a secured cabinet or refrigerated unit and falls under the responsibility of the Inventory Manager and is recorded and tracked by the BioTrackTHC Inventory management functionality. If it is determined that there is a significant discrepancy found in the inventory, the applicants will notify City of Salinas Police Department immediately.

All items available for purchase have a separate SKU and are packaged per the specific requirements of their inventory category. The applicants will ensure that all cannabis and cannabis products at the facility are manufactured, transported, distributed, and tested by licensed and permitted facilities that maintain operations in full conformance with state and local regulations.

Inventory will be sourced from permitted and legal providers as allowed by the existing State guidelines regarding medicinal cannabis products. All aspects of inventory intake will be tracked by the BioTrackTHC inventory control functionality including vendor/distributor contact information, quantity purchased, price paid, lab test results, and any other relevant information regarding the process of dispensing any given item. After any product is received into the facility, it is kept in locked storage until it is fully prepared for distribution.



Support Document for Medical Cannabis Applicants: California

MEDICINAL CANNABIS TRACK AND TRACE
RECORDKEEPING & REPORTING





BioTrackTHC Overview

BioTrackTHC has developed, deployed, and supported Cannabis-specific inventory tracking and management software solutions over the last six (6) years for private sector Cannabis businesses, and over the last two (2) years for government agencies, and is therefore one of the oldest and most experienced companies in this unique space. BioTrackTHC provides two (2) actively utilized seed to sale Cannabis tracking and management Commercial off the Shelf (COTS) solutions; one for government agencies and one for government-licensed Cannabis businesses. Over 2,000 medical and recreational Cannabis production and retail dispensary facilities across 25 U.S. states, including the District of Columbia and in other countries such as Canada, Jamaica, Australia and South America.

The Washington State Liquor and Cannabis Board, the New Mexico Department of Health, the Illinois State Department of Agriculture and the City of Arcata in Humboldt County, California. The New York State Department of Health are currently implementing BioTrackTHC's System, and are scheduled for 2016 Q3 deployments. The Hawaii State Department of Health has also recently announced its intent to award its medical Cannabis tracking system contract to BioTrackTHC, and is scheduled to begin in 2016 Q4 as well. Additionally, the Commonwealth of Puerto Rico has selected the BioTrackTHC Government Traceability system as their intended solution following a competitive bid process. These additional contracts increase the Company's seed to sale Cannabis government contract count to seven (7), more than the number of Cannabis government contracts awarded to all other companies combined. The voluntary adoption of BioTrackTHC by so many government agencies as well as Cannabis facilities is a testament to the quality of both BioTrackTHC's technology and people.

Developed under the auspices of a university business incubation program, BioTrackTHC's technology was originally created as a prescription drug and methamphetamine precursor tracking system to assist state governments and law enforcement in preventing drug diversion and promoting public safety. The Company even went so far as to submit its technology to a SAS No. 70 audit (now SSAE 16) to certify the System's compliance with the stringent standards for the electronic prescribing of all legal classes of medication—including Schedule II drugs—as required by the DEA (Drug Enforcement Administration).

The Company quickly received interest in the technology from Cannabis producer and dispensary owners in Colorado who desired an end-to-end Cannabis inventory tracking and patient record-keeping System for both compliance and business optimization purposes. They had been utilizing a variety of disparate tools— nursery management for producer operations, spreadsheets for inventory, a generic web-based point-of-sale system for retail transactions, and paper charts for patient record-keeping. BioTrackTHC took its thoroughly vetted medical system as a foundation and modified it for Cannabis workflows, collaborating with, and obtaining direct input from dozens of Cannabis facility operators. As would be the case throughout its history, BioTrackTHC worked closely with these new customers and smoothly transitioned them from their disparate systems into a unified architecture that facilitated a continuity of business logic. These medical Cannabis businesses became the first known facilities across the country to digitally track Cannabis from seed to sale.

BioTrackTHC was awarded the contract for the State of Washington's Seed to Sale Inventory Traceability System in the Fall of 2013, out of 22 total bidders, and delivered on the contract within budget and on schedule; in fact, the System was completed in less than 100 days. Today, it is, by far, the largest of all government systems currently tracking Cannabis.

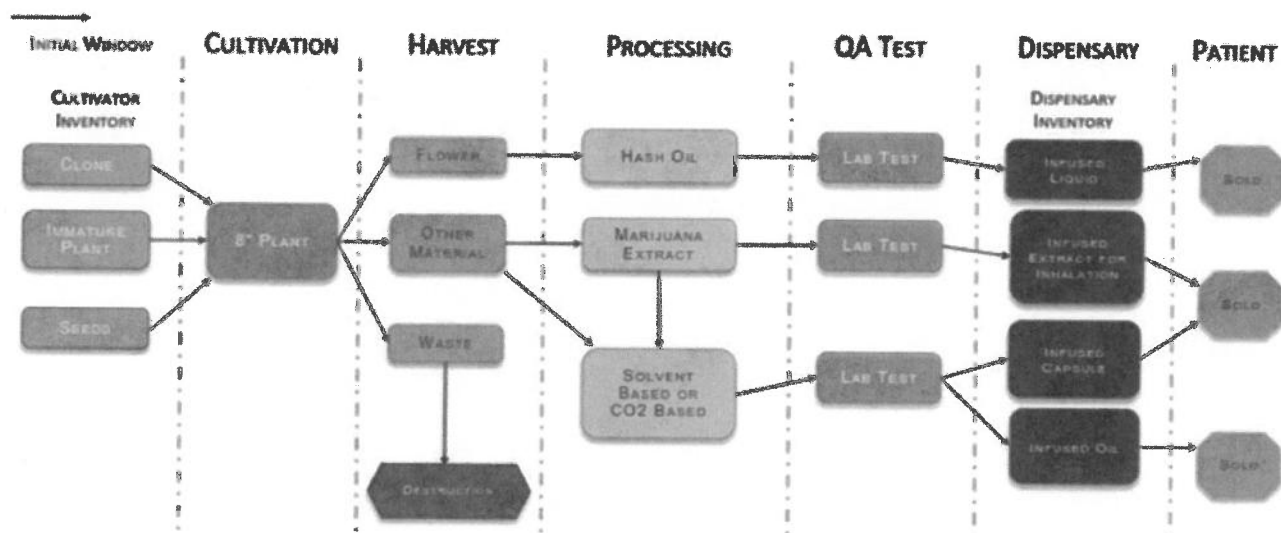


The delivered System features a simple user interface in spite of the unique and complex nature of Cannabis production and tracking, and includes a robust alerts and reporting system that enables the agency to meaningfully monitor Cannabis activity and sales. Its workflows are tailored to the State of Washington's specific regulations and informed by BioTrackTHC's deep operational knowledge of the industry. Its internal controls prevent users from operating against the law; yet, the System remains flexible enough to allow for future innovations and changes in regulations. For example, System rules ensure that only product for which a licensed testing facility has submitted passing results may be placed on a state-recognized transportation manifest; product that has failed testing or that has not undergone independent testing cannot make its way to a consumer-facing retailer's shelves.

BioTrackTHC's Washington State system is now thoroughly battle-tested, having successfully tracked over 11.5 million registered plants since implementation over two years ago. It is currently tracking over \$75 million in Cannabis industry transactions per month, and is on pace to track \$1 billion in Cannabis industry transactions over the next year.

The private sector version of the BioTrackTHC System is now deployed in over 2,000 authorized Cannabis facilities with over 25,000 unique users across North and South America, and abroad. The Company has demonstrated remarkable capacity to scale rapidly in response to rising demand without compromising quality of deployment, customization, or on-going support. Over the past five years, the Company has completed over 1,400 individually tailored implementations of the business system in addition to the implementation of the Cannabis state tracking systems in the states of Washington, New Mexico, and Illinois, with none a detriment to the other. Evidence of the preservation of BioTrackTHC's high quality of expertise, product, and service is reflected in the fact that the Company has retained more than 95% of its private sector client-base in spite of the significant increase in stress on the Company's infrastructure due to the increased demand for its solutions.

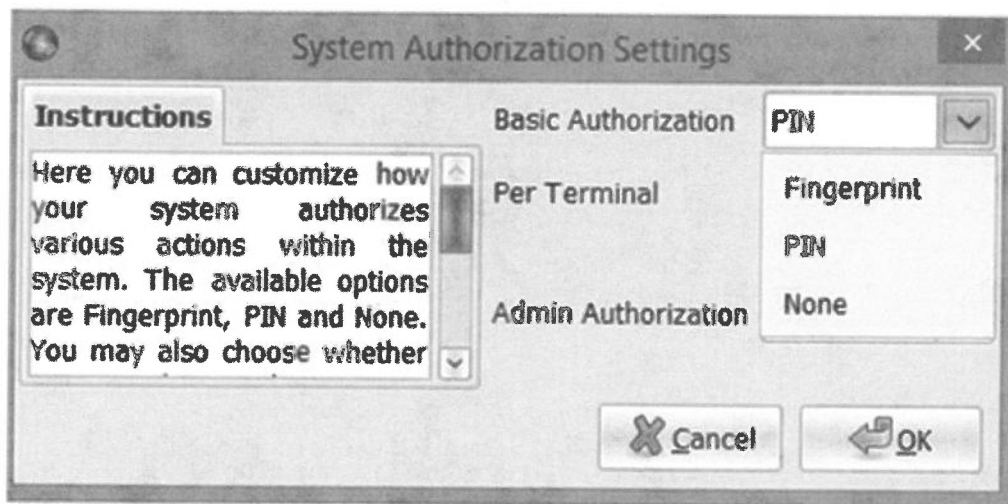
As a company with five (5) years of hands-on technical support and fulfillment of customization requests to meet user-specific business logics, the BioTrackTHC team has accumulated detailed, specialized knowledge and insight into the unique challenges and corner cases specific to Cannabis program management. Time and again, general medicine technology and generic agricultural tracking experience have proven insufficient to properly address the unique needs of the Cannabis industry. No two implementations of the software are alike; customers choose their own business logic, hardware environment, operating system, and oftentimes must migrate data from their hodgepodge of supplanted systems (paper records, excel spreadsheets, competing Cannabis systems, etc.). To add further complexity to these implementations, BioTrackTHC must develop and broadly apply custom configurations for every government. As stated earlier, BioTrackTHC's private sector solution is currently deployed in 25 U.S. states, including the District of Columbia and in other countries such as Canada, Jamaica, Australia and South America.



Diversion Prevention:

By requiring the use of a PIN code or a biometric finger print scan to perform various actions in the system, there will always be a forensic report to ensure accountability from the users. Without having the permission setting to perform an action, a manager must be available to overwrite that specific instance. The forensic report will show a log of the time, date, and action of a specific individual as it pertains to inventory items. Additionally, when conducting an audit, the system will allow a setting for "blind" audit. The user will have the ability to enable or disable that feature. By hiding the original amount, it will ensure that person conducting the audit makes sure they do not try to divert product out of the facility.

Additionally, the system allows for vertical integration of peripheral hardware (i.e. scales, barcode scanners, biometric readers, card readers (both magnetic and smart-chip technology), point-of-sale terminals). By doing so, the system is able to prevent user entry error, which prevents the loss of products, plants, and derivative materials.





Instructions

Here you can run an inventory audit on all of your current inventory.

To select an item, simply click on the item to the right, or scan the barcode on the item.

Once selected, please weigh the item. If your item is contained within multiple containers, you may weigh each in turn by clicking the consolidate button.

Additionally, if you are using a container, you may select it to the right. For the purpose of the inventory audit, the container weight will be saved for your next audit of that particular item.

After weighing the item, click Save and Continue.

Always zero the scale before use

Gram Mode Ounce Mode Manual Mode Zero Scale

Bulk Inventory

Print Barcode Print Sheet Edibles ▼ Item Choc Bar 100mg

Item	Original	New	Difference
▼ 15mg Cookie			
■ 4249 2499 5634 9489	39.00	39.00	0.00
■ 7764 8509 1927 7900	97.00	96.00	-1.00
▼ Canna Punch 100mg			
■ 1909 6048 7417 1985	21.00	20.00	-1.00
▼ Cheeba Chews			
■ 8436 1133 6161 0581	50.00	50.00	0.00
■ 0609 8708 0533 7022	466.00	466.00	0.00
■ 6720 9757 9324 5534	51.00	48.00	-3.00
▼ Choc Bar 100mg			
■ 5059 1556 8595 7072	100.00		
▼ Cookies			
■ 8201 0447 4786 0152	39.00		

Inventory ID 5059 1556 8595 7072

New Count 100.00

Consolidate Reset Zero

Container None ▼

Container Weight

Save and Continue

Notes

Accounted For 6 Save Later Remaining 2

Cancel OK

Customers Inventory Reports Timelock Messages

Running Transaction and General Reports

Select your report below:

Inventory Forensics Report Export Print

View Report Customize

Start: 01/26/2016 12:00:00 AM End: 01/26/2017 11:59:59 PM

Location: Strain: Product: Category: Inventory ID: Action: Sort: Use Item: Inventory Type:

Location	Previous Quantity	New Quantity	Difference	Date	User	Action
Jankness Center Grow 1.00	1.00	0.00	0.00	12/09/2016 08:32 AM	flaks	Inventory Conversion
Jankness Center Grow 1000.00	0.00	-1000.00	0.00	07/01/2016 04:39 PM	flaks	Inventory Conversion
Jankness Center Grow 1000.00	1000.00	0.00	0.00	07/01/2016 04:27 PM	flaks	New Inventory From Plant Curing
Jankness Center Grow 1.00	0.00	-1.00	0.00	09/22/2016 02:13 PM	flaks	Inventory Combination
Jankness Center Grow 1.00	1.00	0.00	0.00	09/22/2016 02:13 PM	flaks	Inventory Combination
Jankness Center Grow 1.00	1.00	0.00	0.00	03/01/2016 04:01 PM	flaks	Inventory Conversion
Jankness Center Grow 10.00	0.00	-10.00	0.00	12/09/2016 07:51 AM	flaks	Inventory Combination
Jankness Center Grow 10.00	10.00	0.00	0.00	12/09/2016 07:51 AM	flaks	Inventory Combination
Jankness Center Grow 10.00	10.00	0.00	0.00	12/21/2016 05:00 PM	flaks	Plant Byproduct Conversion
Jankness Center Grow 1.00	0.00	-1.00	0.00	09/22/2016 02:13 PM	flaks	Inventory Combination
Jankness Center Grow 1.00	1.00	0.00	0.00	09/22/2016 02:13 PM	flaks	Inventory Combination




Transportation of Cannabis:

Transportation Manifest

The BiotrackTHC system (through the integrated transportation manifest module), records a wealth of information pertaining to a transport event. The following information is recorded (including, but not limited to):

- Sender License Holder Information
 - o License/permit number
 - o Address
 - o Phone
 - o Date of transport
 - o Time of transport beginning and end (from location to location)
 - o Employee(s) transporting and related employee info (date of birth, name, age, ID# etc.)
 - o Transporting Employee(s) signature of acceptance
 - o Transport Vehicle (make, model, VIN, color etc.)
 - o Turn by Turn directions from and to location (pinged by google maps and in free-form to allow for edits of travel route per the license holder's preference)
- Recipient License Holder Information
 - o License/Permit numbers
 - o Address
 - o Phone
 - o A section to show how many items of the total sent were received
- Items Listed for Transport
 - o Item identifier
 - o Total units being transported
 - o Total units received by recipient



Washington Marijuana Transportation Manifest ID 6592644133314264				Page 1 of 1
Date:	Oct 28, 2014	Licensee's License #:	413463	Barcode
Licensee's Name:	STONE SUPPLY	Vehicle ID #:	1001100202	 6592644133314264
Licensee's Address:	6841 NE ELFENDAHIL PASS RD BELFAIR, WA 985289734	Vehicle Color / Make / Model / License Plate:	1925 rust ford F150 budspu	
Licensee's Phone:	3607310115	Transporter's Name:	Bud Jones	
Transporter ID:	1001	Transporter's Date of Birth:	01/01/1950	
		Transporter's Signature:		
Step #1 of 1 (1 Items)				
Destination Licensee Name:	BioTrackTHC Processor 2	Approx. Departure Date/Time:	Oct 29, 2014, 10:46 AM	
Destination License #:	9960004	Approx. Arrival Date/Time:	Oct 29, 2014, 11:58 AM	
Destination Licensee Address:	3000 Pacific Ave SE Olympia, WA 98501			
Destination Licensee Phone:	8007974711			
<p>* These directions are for planning purposes only. You may find that the suggested route takes you outside the State of Washington; per RCW 69.50.342 you must plan your route so that you remain within the State of Washington at all times.</p> <p>Travel Route:</p> <p>Head northeast on NE Elfendahl Pass Rd toward NE Bear Creek Dewatto Rd. Turn right onto NE Bear Creek Dewatto Rd. Turn left onto NE Old Belfair Hwy. Continue onto W Belfair Valley Rd/W Belfair Valley Rd. Continue onto W Belfair Valley Rd. Turn right onto W Sam Christopherson Ave. Continue onto WA-16. Take the ramp onto WA-16. Take the Sprague Ave exit. Keep left, follow signs for I-5 S/Portland. Keep left and merge onto I-5 S. Take exit 107 for Pacific Ave. Turn right onto Pacific Ave SE.</p>				
<p>Instructions: If the quantity received is less than the quantity shipped, check the box in the appropriate field below and indicate the actual quantity received.</p>				
Stop 1, Items 1-1 of 1		Manifest ID 6592644133314264		
#	Batch / Lot ID	Item Description	Shipped	Received
1	6033553180000004	Flower Lot	226.8	<input checked="" type="checkbox"/>
2				
3				

Additionally, each transportation manifest is assigned its own unique identifier for easy reference during a traffic stop or for regulator/law enforcement reference to the oversight agency. The manifest is created digitally within the system and is available to the sender and recipient in PDF format for printing of hard copies.

Cultivation:

BioTrackTHC automatically assigns a globally unique and non-repeatable 16-digit barcode number to every plant. Furthermore, the system auto-generates a globally unique and non-repeatable 16-digit barcode number at every stage where dried Cannabis must be separately identifiable from the original plant due to processing and packaging. These serial numbers, once generated are assigned, cannot be changed.



BioTrackTHC enables businesses to collect, store, and retrieve all data and activity related to inventory records, patient records, recall reports, sales/transaction records, product disposal records, and all scanned documents can be accessed at any time (real time), either in-system or through the report creation tool. Though system actions can be adjusted or voided, at no time is any data ever fully deleted as BioTrackTHC maintains a log of every action, including adjustments and voids, so that the entire history of the system may be reconstructed. The availability and report ability of the system data enables the said entity to produce any information necessary for the Department during an inspection or at the Department's request.

Additionally, the system can adjust inventory and always require a reason for removal when utilizing the inventory adjustment feature, also it has an auditing feature that can be used to track loss of product due to diversion or theft.

BioTrackTHC's inventory control system ensures that every aspect of the plant is tracked from seed-to-sale. The system maintains the capability to convert lots into packages, accept marijuana from patients and caregivers who hold valid registry identification cards, and track the disposal of unusable marijuana. Additionally, the software system develops and documents patient records that include all of the necessary information to remain compliant.

BioTrackTHC's wholesaling and grow house management tools allow for robust information collection. Examples of the information collected include, but are not limited to; name of originating marijuana establishment, batch number, original plant(s) that batch is derived from, if it was a cutting (clone) or seed, dates planted, yield reports, date of harvest, and all pesticides, herbicides, and fertilizers used to grow the plants. Instantaneously, upon generation of a wholesale, all of the information including name, strain, quantity, registry identification card, name of establishment, and even associated tax is available on wholesale reports which can be run for any specified time period.

BioTrackTHC's grow-house management tools allow for complete tracking of any plant or plant material product as well as its disposal, while keeping record of the disposal explanations. The system will also keep record of the agent who disposed of it, and the number of failed or unusable marijuana plants

Nutrients and Additives Documentation Process

The cultivation software can assign unique identifiers to any nutrient or additive that is in the software. The user then may simply scan the particular barcode of the additive or nutrient and apply to the notes of the particular plant or group of plant. Additionally, there are various reports that assist in tracking who and when added what particular nutrients.



Growhouse Inventory Reports Timecheck Messages

Running Transaction and General Reports

Select your report below:

Plant Additives

Export Print

View Report Customize

Start Time: 01/26/2016 12:00:00 AM

End Time: 01/26/2017 11:59:59 PM

Run Type: Create Data

Select Plants based on Create or Harvest Date

Plant Group:

Plant ID:

Location:

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Plant ID	4582298833004942		Plant Group	No Group	
Strain	Bubba White		Phase		
Location	Darkness Center Grow				
No	Additive	Data			
Plant ID	7039102127323981		Plant Group	No Group	
Strain	White Widow		Phase	Pre-Flowering	
Location	Darkness Center Grow				
	Additive		Timestamp		
	vwg mix wk 3 203		Tue Jan 24 14:18:25 2017		
Plant ID	1360259054336747		Plant Group	dp1125	
Strain	Durban Poison		Phase	Germination	
Location	Darkness Center Grow				
No	Additive	Data			
Plant ID	1793575898502994		Plant Group	No Group	
Strain	Golden Goat		Phase	Pre-Flowering	
Location	Darkness Center Grow				
No	Additive	Data			

Harvesting:

Prior to the harvesting process, the user has the ability to setup their batching options. These settings allow the user to determine which bi-products to collect at either the "Harvest" (Wet Weight) or "Cure" (Dry Weight). The user also has the ability for multiple collection points. This feature gives the user to "top" the plants and continue to let the plant grow in order to maximize yield.

Growhouse Batch Options

Instructions

These options control the order in which you harvest and cure your plants.

In addition, it allows you to determine which derivatives are collected and in what order. You may check or uncheck the items, as necessary.

You may also select the default action of:

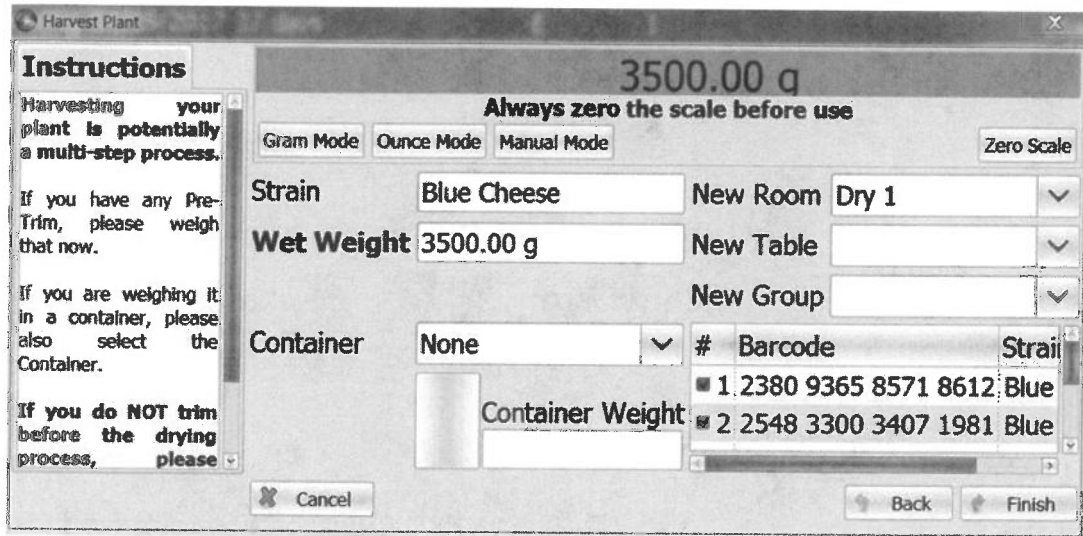
Harvest Cure

Active	Order	Harvest Type	Default Action
<input type="radio"/> No	1	Trim	Batch Later
<input checked="" type="radio"/> Yes	2	Bud	
<input type="radio"/> No	3	Stems	Discard As Waste
<input type="radio"/> No	4	Sugar Leaf	Batch Later
<input type="radio"/> No	5	Shake	Batch Later
<input type="radio"/> No	6	Kief	Batch Later
<input type="radio"/> No	7	Small Leaf	Discard As Waste

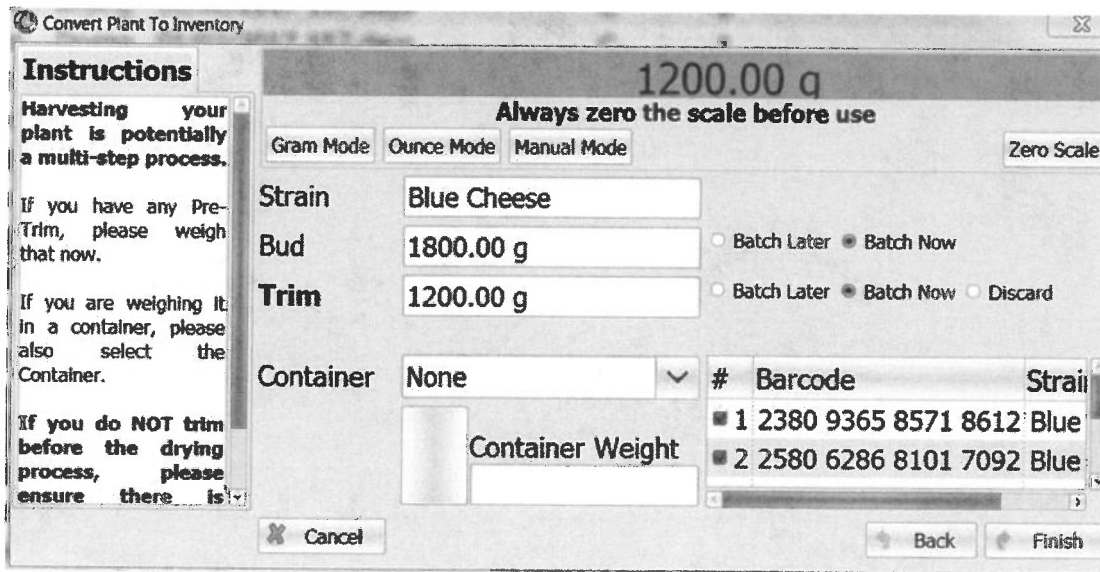
Collection Points 1

Cancel OK

To initiate a harvest, the user will select the plants or "select all" to cut down an entire room. The Harvest Product screen will populate where the user can either use the integrated scale or manually input the total wet weight. BioTrack will allow the user to select the new room. It is common practice to setup a "Drying Room" within the system to store plants that are in the drying phase.

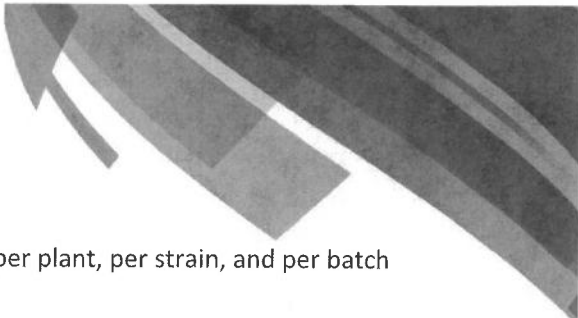


Once the initial wet weights have been collected, the user will select harvest batch again. Biotrack will recognize the other plants you harvested together so it will allow you to only select one plant in the batch. The harvest plant screen populates to collect the "Dry Weights". Once the Bi-products are entered into the system, the system will generate a 16-digit non-repeatable identifier for each Bi-product and insert it directly into Bulk Inventory.



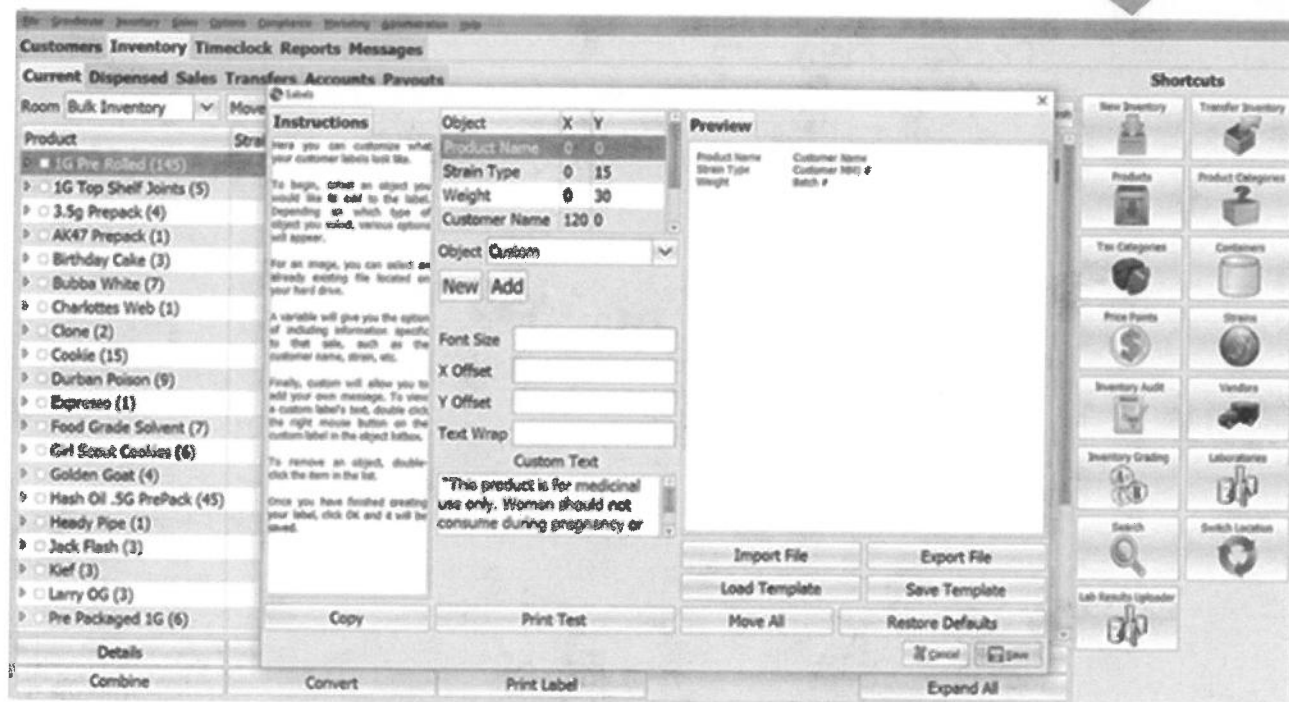
Drying:

Within the BioTrackTHC system, a user has the ability to create multiple Grow House rooms. It is common practice to create a few "Drying Rooms" for plants to be transferred after collecting the wet weights. Within the drying room, the user has the ability to track the amount of days each batch of plants have been drying. Within

[illegible]

BioTrackTHC's label creation tool enables licensed producers to create custom container-client labels with any fields necessary to comply with applicable law. All aforementioned required fields can be added as variables. In addition to this a user can add custom disclaimers and warnings. The system will automatically print the container-client specific label upon completion of the sale. Reports are retained within the system and can be accessed indefinitely. In addition to storing information, the system also has the ability to create custom labels for cultivation, manufacturing and testing results.

The BioTrackTHC label creation tool generates transaction specific information including all aforementioned criteria.



BioTrackTHC
111 S Central Ave
Phoenix, AZ 85004
(480)888-5512
BioTrackTHC.com

Lic# m9837465

MMJ Origin DISP# mJ8767

Customer Identification # RX-029183

"ARIZONA DEPARTMENT OF HEALTH SERVICES' WARNING: Marijuana use can be addictive and can impair an individual's ability to drive a motor vehicle or operate heavy machinery. Marijuana smoke contains carcinogens and can lead to an increased risk for cancer, tachycardia, hypertension, heart attack, and lung infection. KEEP OUT OF REACH OF CHILDREN"

AK-47

Batch 6069107703659390

Harvest Date: 03/22/2013

Useable Weight: 14.000 g

Additives: Plant Pesticide ,

Miracle Grow , Bloom bat

Guano, Organic Worm castings



BioTrackTHC
3025 Limited lane
olympia wa 98502
(800)797-4711

UBI # 900000001

"This product has intoxicating effects and may be habit forming""This product may be unlawful outside of Washington state"

KEEP OUT OF REACH OF CHILDREN

AK-47 1G PrePack

Lot # 9000001780001219

Useable Weight: 1.000 g

Harvest Date: 05/25/2013

Potency Analysis:

THCA 11.20, CBD 5%,

THC 19.8%, Total 35%

Additives:



Storage Requirements:

Customers Inventory Messages Timeclock Reports			
Current Dispensed Sales Transfers Accounts Payouts			
Room	Bulk Inventory	Move Items	
Product	Bulk Inventory	Strain	Category
▶ 15	Back Room		Edibles
▶ 19	End Products		Concentrates
▶ 50	QA	(1)	Concentrates
▶ A	Quarantine		Literature
▶ Ag	Safe		Flower
▶ Ag	Agent Orange 1G (2)		Pre-Rolls
▶ Ag	Agent Orange 1G Pre-roll (2)		Pre-Rolls
▶ B	Bic Lighters (1)		Accessories

Product in need of quarantine can be separated from bulk and placed in the designated area. Inventory destruction can be initiated through the system requiring documentation of destruction purpose and/or approved method as well as the employee performing the action. Although the inventory can be adjusted or voided, at no time is any data ever fully deleted as BioTrackTHC maintains a log of every action, including adjustments and voids, so that the entire history of the system may be reconstructed. The availability and report ability of the system data enables the said entity to produce any information necessary for the Department during an inspection or at the Department's request.

Processing/ Extractions:

BioTrackTHC's conversion tool allows Processing/Manufacturing facilities to convert batches from one product to another while maintaining the original batch ID. The conversion tool allows multiple conversions. For example: Trim to Oil, Oil to Capsules by doing two simple conversions. During the conversion, there is an option to collect waste or to "auto waste" the product. Furthermore, upon completing a conversion, the system will provide you with options on how you would like to barcode the specific batch or if you would like to "Pass through QA results ie. converting flower to pre-rolls.



Inventory Conversion

Instructions: Finally, please select the product you are converting inventory to. If the product you are converting to is weighable (e.g. hash oil), you will need to weigh that now. If it is not (e.g. a joint), you can simply enter the quantity produced. When you are done, simply click Finish to complete the process.

Gram Mode: ☐ Once Mode ☐ Manual Mode

Always zero the scale before use

Barcode Product Quantity Grade

Product: Trim Barcode: 9203 4770 0832 4265

Current Quantity: 1000.00 g New Product: Bulk Oil

Conversion Quantity: 1000.00 g New Grade:

New Product Quantity: 179.00 g Container: None

Container Weight:

New Cost Per Unit:

Original Cost Per Unit:

Buttons: Back, Finish, Print, Close

Options: Default Prepack, Auto-Print, Auto-Waste, Serialize, Pass Through QA Results

Running Transaction and General Reports

Select your report below:

Inventory Conversions

View Report Export Print Customize

Start: 06-05-2017 12:00:00 AM EDT

End: 06-09-2017 11:59:59 PM EDT

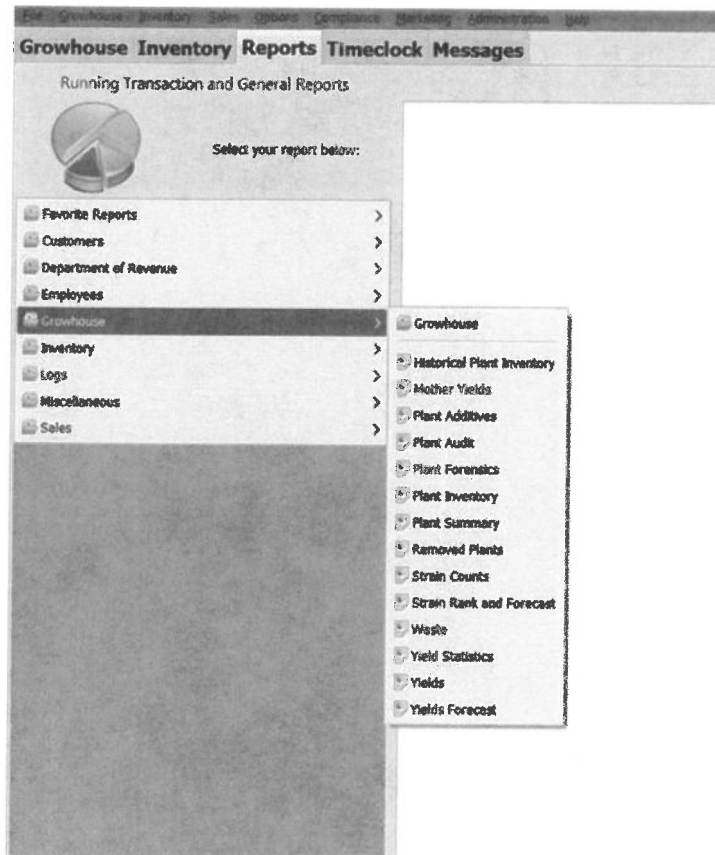
Location:

Inventory Conversions							
Inventory New Quantity	New Product	New Strain	New Inventory ID	New Inventory Quantity	Conversion Waste	User	
10	Blue Cheese	Blue Cheese	8771 7348 7069 1668	28.00	0.00	tjones	
	Bulk Oil	Sour Diesel	5404 5548 7674 0353	35.00	189.00	tjones	
	Death Star 1 g Wax PP	Death Star	5642 5662 2787 3620	1.06	0.00	tjones	
	Bulk Oil	Bulk Trim	4440 8866 9611 2536	50.00	405.00	tjones	
	Agent Orange 1G PP	Agent Orange	8364 9320 2421 4606	1.06	0.00	tjones	
10	Bulk Oil	Blue Cheese	7619 0093 2968 2867	130.00	0.00	tjones	
10	Trainwreck	Trainwreck	6240 9697 9534 8590	500.00	0.00	tjones	
10	Trainwreck	Trainwreck	7207 6883 2084 1315	500.00	0.00	tjones	
	Trainwreck	Trainwreck	6711 8601 1561 1727	500.00	0.00	tjones	
	Trainwreck	Trainwreck	3907 3959 0278 3873	500.00	0.00	tjones	
	Bulk Oil	Blue Cheese	5529 3218 4086 4435	179.00	821.00	tjones	

Record Keeping and Reporting:

Record Keeping

BioTrackTHC's reporting module can generate daily reports for an establishment's inventory, acquisitions, harvests, sales, disbursements, and disposals. These records are kept indefinitely. Whether the establishment is harvesting or receiving product from another establishment, the system can keep full record of who is providing the Cannabis and/or Cannabis infused products. The system will keep record of the following, and much more; dates of transfers and transactions, batch numbers, quantity, product weight, usable amount in each infused product, and the agent's registration card number. These records can be pulled up for any time period in the reporting module.



Customers Inventory Reports Timeclock Messages									
Running Transaction and General Reports									
Select your report below:									
Yields									
Test Date	Cure Date	Strain	Wet Weight	Bud Weight	Total % Loss	Avg % Loss	Group	Trim	
1/2016 02:32 PM	09/22/2016 02:33 PM	Birthday Cake	1000.00	500.00	50.00	16.03	bc922	75.00	
1/2016 12:26 PM	02/15/2016 12:28 PM	Birthday Cake	666.67	600.00	10.00	16.03	bc215	60.00	
1/2016 12:46 PM	02/04/2016 12:47 PM	Birthday Cake	25.00	450.00	0.00	16.03	bc 24	47.50	
1/2016 01:45 PM	02/10/2016 01:47 PM	Birthday Cake	400.00	360.00	10.00	16.03	bc210	38.00	
1/2016 02:32 PM	09/22/2016 02:33 PM	Birthday Cake	1000.00	500.00	50.00	16.03	bc922	75.00	
1/2016 03:22 PM	02/03/2016 03:25 PM	Birthday Cake	500.00	440.00	12.00	16.03	BC 23	38.00	
1/2016 11:24 AM	01/28/2016 11:26 AM	Birthday Cake	500.00	450.00	10.00	16.03	bc 128	47.50	
1/2016 12:46 PM	02/04/2016 12:47 PM	Birthday Cake	25.00	450.00	0.00	16.03	bc 24	47.50	
1/2016 10:48 AM	07/26/2016 10:49 AM	Birthday Cake	666.67	500.00	25.00	16.03	BC726	63.33	
1/2016 12:46 PM	02/04/2016 12:47 PM	Birthday Cake	25.00	450.00	0.00	16.03	bc 24	47.50	
1/2016 11:24 AM	01/28/2016 11:26 AM	Birthday Cake	500.00	450.00	10.00	16.03	bc 128	47.50	
1/2016 11:28 AM	08/02/2016 11:30 AM	Birthday Cake	666.67	333.33	50.00	16.03		66.66	
1/2016 10:48 AM	07/26/2016 10:49 AM	Birthday Cake	666.67	500.00	25.00	16.03	BC726	63.33	
1/2016 11:28 AM	08/02/2016 11:30 AM	Birthday Cake	666.67	333.33	50.00	16.03		66.66	
1/2016 12:46 PM	02/04/2016 12:47 PM	Birthday Cake	25.00	450.00	0.00	16.03	bc 24	47.50	
1/2016 11:28 AM	08/02/2016 11:30 AM	Birthday Cake	666.67	333.33	50.00	16.03		66.66	
1/2016 11:17 AM	02/22/2016 11:18 AM	Birthday Cake	500.00	450.00	10.00	16.03	bc222	46.25	
1/2016 12:26 PM	02/15/2016 12:28 PM	Birthday Cake	666.67	600.00	10.00	16.03	bc215	60.00	
1/2016 02:30 PM	02/03/2016 02:34 PM	Birthday Cake	400.00	360.00	10.00	16.03	bc 28	58.00	
1/2016 03:22 PM	02/03/2016 03:25 PM	Birthday Cake	500.00	440.00	12.00	16.03	BC 23	38.00	
1/2016 11:17 AM	02/22/2016 11:18 AM	Birthday Cake	500.00	450.00	10.00	16.03	bc222	46.25	
1/2016 03:47 PM	12/05/2016 03:48 PM	Birthday Cake	500.00	300.00	40.00	16.03	bc125	33.33	
1/2016 11:24 AM	01/28/2016 11:26 AM	Birthday Cake	500.00	450.00	10.00	16.03	bc 128	47.50	

The system comes preloaded with over 140 industry-specific reports developed over years of feedback and experience from cannabis business operators in both the medicinal and adult-use (recreational) cannabis



markets. License holders have the ability to create their own customized reports specific to their workflow or standard operating procedures. If the license holder prefers, the BioTrackTHC™ team can build the custom reports for them at an additional charge. The reporting functionality from the system allows the license holder to pull reports regarding supply chain, employee actions, quality control, destruction, transportation, and various other events that take place within the processes of the cannabis industry.

Quality and Safety

Quality Control and Testing

As a cultivator it will be required to test the medical Cannabis for a variety of items. The software will allow the user populate any labs they will be working with into the system. Once added into the program, the user will be able to apply various test results to specific batches. Furthermore, all test results will be able to be printed on the labels of the products created.

The screenshot displays the BioTrackTHC software interface. A 'Labs' form is open, allowing users to add or edit laboratory information. The form includes fields for Name, Address 1, Address 2, City, State, Zip, Phone, Fax, Email, Website, License Number, and Contact. There is also a 'Notes' section and buttons for 'New', 'Save', and 'Delete'. In the background, a table lists various batches with columns for 'Metric ID', 'Strain', 'Batch ID', and 'Time'. The table shows multiple entries, some with 'days' listed next to them, indicating a timeline or duration. The interface also includes navigation tabs at the top such as 'Timeclock Messages', 'Transfers Accounts Payouts', and 'Lookups'.



Adverse Events and Recall Procedures:

In the event of a recall, specified users can quickly pull reports of all products and transactions associated with a specific plant(s), batch or strain. Within the system the licensed entity will be able to quickly and easily find the remaining product, the locations (i.e. patients) delivered to as well as all sources and derivatives of the product. Once the affected individuals have been identified, because the individual contact preferences have already been logged, timely communication is accessible. BioTrackTHC also provides a method of sending SMS(text) message or email blast messages, which can even be targeted to just the patients who've purchased a specific product within a given time period, (all at no cost or SMS usage rates to the patients).

All recalled products should be safely destroyed and logged in the BioTrackTHC™ system. Upon destruction of the product, any and all information pertaining to its destruction including but not limited to method of destruction, witness documentation and an electronic PIN or biometric fingerprint scan signature from the person in charge. This will be considered the alternative end to the product life cycle, and true seed-to-sale traceability and reconciliation can be visibly achieved

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8D. PROPOSED CONSTRUCTION AND TIMELINE FOR COMPLETION

It is anticipated that the proposed property improvements will take between eight (8) and twelve (12) months to complete.

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8E. ESTIMATED BUDGET

Below please find a rough estimate of estimated operational costs.

ESTIMATED BUDGET AND START UP COSTS

ITEM	COST
Location Improvements and Buildout (one time fee)	\$350,000.00
Technology	\$7,600.00
Marketing	\$20,000.00
Inventory	\$45,000.00
Wages/Benefits	\$750,000.00
Property Taxes	\$14,000.00
Maintenance	\$4,800.00
Office Supplies	\$30,000.00
Office Furniture	\$5,000.00
Utilities	\$60,000.00
Various Insurances	\$150,000.00
Advertising and Promotions	\$20,000.00
BioTrack Software Platform	\$3,600.00
Surveillance System	\$10,000.00
Quickbooks	\$900.00
Payroll System	\$25,000.00
CPA	\$40,000.00
Attorney	\$30,000.00
Consulting	\$20,000.00
Community Outreach	\$50,000.00
Manufacturing Equipment (one time fee)	\$500,000.00
Vehicle (one time fee)	\$30,000.00
TOTAL:	\$2,165,900.00

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9. NEIGHBORHOOD COMPATIBILITY

Community Relations

Our mission at Sanborn Distribution includes ensuring we operate in a way that benefits our neighbors as well as ourselves and our associates. Our success goes hand in hand with the success of everyone around us, and we strive to ensure our operation helps those around us to grow and increase economic success. We believe in being an asset to our immediate community, and so take pride in achieving trust and good relations with everyone who encounters our company. This includes:

- Understanding our neighbors and how we can manage our operations to positively impact their business while immediately addressing any concerns brought to our attention.
- Providing increased security that not only benefits our operation but helps ensure the safety of neighboring premises. This includes informing our neighboring businesses if any of our staff or security notices something out of the ordinary, as well as making exterior surveillance feed available in the event a neighboring business encounters a security incident unrelated to our operation.
- Taking all appropriate steps to ensure we mitigate any negative effects arising for our operation, including odor abatement, parking scarcity congestion on the street and/or security concerns.
- Absolutely NO CONSUMPTION of any cannabis products will be allowed anywhere on or near the facility and this policy will be strictly monitored and enforced.
- Providing the contact information of the General Manager and Director of Security to all neighboring businesses to allow for clear and direct communication of any issue.
- Allowing for private tours and/or schedule of an open house to allow our neighbors who are over 21 years of age to see the interior of our operation and provide a spirit of transparency and dispel any concerns or misconceptions.
- The business sign will not exceed what is currently present and will not have cannabis related insignia present.

Odor Management Plan

To address the concerns of odor management, Sanborn Distribution and its affiliates on site will implement the following:

At a minimum, one Honeywell F90A1050 Electronic Air Purifier (or equivalent) will be housed throughout the various sections of the facility. The F90A1050 is a surface mounted Honeywell industrial commercial electronic air cleaner. It cleans by removing particulates from the air passing through the electronic cells. This filter is certified to be 94% efficient at capturing 0.5 micron air borne particles that pass through the filter such as pollen, cat dander, dust, tobacco smoke, and mold spores.

In addition to the Electronic Air Purifier, the applicants will utilize the existing exhaust system already in place at the location. They will make sure that the system is up-to-date with the latest carbon filter technology. These steps should ensure that odors from cannabis are not detectable off site.

Noise Control

To reduce the possibility of noise pollution, the applicants will implement strict rules of conduct governing the behavior of staff, contractors and visitors at all times while on, approaching or departing the proposed facility location. These include but are not limited to:

- Restricted volume of car stereos and amplified portable sound systems (in vehicles or in person) while on the premises, including while entering and exiting the premises.
- Limited volume of in-house background music.
- Warnings of unnecessary honking, tire screeching, yelling, or any noise deemed disruptive, unnecessary or a nuisance.
- The on-site security guard will prohibit individuals from loitering around the entrance of the property and will ensure that no cannabis products are being used outside the proposed location.

Foot and Vehicle Traffic

The proposed facility location is easily accessible by public transportation and is convenient for individuals driving to the facility. The entrance to the premises is on Sanborn Place, a one-way street that runs parallel to S. Sanborn Road. There is ample parking on site. Employees will park inside the facility to avoid impacting traffic on the front thoroughfare facing the entrance to the building. All traffic generated by the facility will be mitigated by the following:

- Security personnel will be stationed at the gate that enters the parking lot throughout the day to prevent loitering and assist in the flow of traffic in and out of the facility.
- Clearly visible identification of parking entry, exit and space delineations.

Nuisance and Crime Prevention

As detailed in the security plan in Section 10, Sanborn Distribution will employ Uretsky Security, a third party professional security company, to provide on-site twenty-four (24) hour security. In addition, Sanborn Distribution will employ Crime and Prevention through Environmental Design (CPTED) techniques. These techniques are sometimes referred to as “broken window” approach. By addressing minor issues quickly and thoroughly, the applicants will maintain and raise the community standards in the neighborhood.

Please see Section 10 for a detailed description of the security plan.

Aesthetic Compatibility

Sanborn Manufacturing will make the necessary improvements to improve the neighborhood aesthetics to improve the overall quality of the environment. There will not be signage that contains logos or information that identifies, advertises or lists the services or the products offered.

Surrounding Businesses

The surrounding businesses are:

- Taqueria El Oaxaqueño
- Eagle Star Security

- Orizaba Ice Cream
- Overhead Door Company of Salinas
- Estrellas Auto
- Specialty Auto Body
- Del Cas Auto Collision
- West Coast Sprinter & Auto
- 7-Eleven – 1020 Terven Avenue (264 feet away)
- AM PM – 970 Work Street (350 feet away)
- Los Grullenses Taqueria – 655 Sanborn Place (654 feet away)

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11. COMMUNITY BENEFITS

The Sanborn Distribution principals have a long track record of supporting the local community through decades of contributions and they intend to continue that tradition through the facility's revenue stream. The following are a few of the benefits the community will enjoy from Sanborn Distribution's operations:

Salinas' General Plan:

Sanborn Distribution's operations support several overlapping policies serving the interests of Salinas and the adjacent communities. First, it advances access to safe, properly produced cannabis products authorized under state law and local ordinance. For the same reason, it therefore advances the policies set forth under Salinas' General Plan regarding the provision of needed goods and services to the residents of Salinas. Because Sanborn Distribution will tailor its operations to reduce its water consumption and carbon footprint and to the greatest extent practicable eliminate the generation of waste products, its operations serve the resource conservation goals promoted by those plans as well.

In addition to these general and specific issues, Sanborn Distribution's business approach and operations will serve numerous other goals stated in the Salinas General Plan and similar planning documents. The applicants will integrate its operations into the surrounding community in a sensitive and attractive manner by utilizing an existing structure, located in a neighborhood in need of revitalization, and provide a community ombudsperson to address any complaints or concerns.

The employment provided by Sanborn Distribution pays above living wage standards that will help provide economic stability to the neighborhood in which it is located and stimulus to the City of Salinas as a whole. The proposed use will thus simultaneously help prevent a decline in and about the commercial center where it is located while bringing economic diversity to Salinas. Because it believes in the concept of personal accountability and in "paying it forward", Sanborn Distribution will earmark a portion of its net income for reinvestment into the community.

EMPLOYMENT BENEFITS:

Sanborn Distribution believes that its employees are its most valuable resource. We will provide and offer career paths and opportunities for all citizens of the City of Salinas and the County of Monterey. We also believe that a workforce should represent the community and we are committed to hiring local employees who will benefit their families and the surrounding areas from working with our company.

Hiring Strategy:

Sanborn Distribution anticipates to hire an initial staff of three (3) employees. As the business expands additional employees will be hired.

Salinas is a very diverse city and we believe our staff should reflect the greater community it serves. As such, in order to provide improved access for non-English speaking associates, Sanborn Distribution will have a Spanish speaker on staff and accessible during office hours.

All full-time, entry-levels employees will be paid an hourly rate of no less than \$22.00 per hour, along with health benefits and paid time off. Part-time employees will be paid an hourly rate of no less than \$22.00 per hour and may accrue paid time off. The operators will adjust wage status annually to reflect a cost of living increase.

Sanborn Distribution is committed to equal employment opportunity, and will not discriminate against employees or applicants based on any classification status. However, priority hiring will be given to residents of the City of Salinas.

Training and Continuing Education:

All new hires will complete a proprietary training program. This includes classroom instruction by trained industry professionals in not only the cannabis industry but occupational safety as well.

Sanborn Distribution is committed to providing educational opportunities for all eligible employees. The plan will give full-time employees the opportunity to enroll in two (2) classes per quarter toward an accredited degree at a local community college or CSUMB, with tuition fully paid for by Sanborn Distribution. We will also offer employees coaching throughout their educational experience in matters ranging from enrollment to financial aid to career advice.

In addition, to ensure staff knowledge remains current in the rapidly evolving cannabis industry, all employees will receive ongoing education, including training sessions with experts, off-site conferences, online workshops and seminars. The operators will continually update, revise and refine their proprietary training program to reflect changes in laws, products, and industry practices and standards.

Annual Performance Review:

Each employee will receive an annual performance review to assess any areas that require improvement and to recognize their successes and accomplishments of the preceding year. Annual wage increase based on a pre-established company pay scale will be granted or other skill development methods will be assigned as necessary.

CONTRIBUTIONS TO THE COMMUNITY

Taxes:

The anticipated local tax revenues generated by Sanborn Distribution's operations will also contribute to the local government efforts to maintain and improve its public services such as parks and community centers. The applicants will also offer a slate of additional programs and services to help boost the community through services to aid and support our citizens. These ancillary services will focus on health and drug education issues, including the proper and appropriate use of medicinal cannabis as well as on partnerships with local non-profits and community support organizations, price supports to seniors, the terminally ill, low income individuals and veterans, and an eviction defense program assisting persons who have lost their homes to foreclosure.

Employment Policies:

Sanborn Distribution will focus its hiring positions on the pool of residents of the City of Salinas. The facility will work with the California EDD and private placement job centers and search lists to accomplish this policy objective.

Charitable Donations:

As previously stated the applicants have a long history of charitable donations in City the Salinas and the greater Monterey County that include but are not limited to:

- Rancho Cielo
- Salinas Police Foundation
- Monterey County Sheriff's Foundation

Community Involvement:

The applicants are involved with the Salinas Valley Leadership Group and actively donate to several political campaigns.

Additional contributions Sanborn Distribution pledges to give back to the City of Salinas and greater Monterey County includes the following:

- Single source income jobs to promote the local economy and surrounding betterment of the City of Salinas.
- Increased tax revenue paid to the City of Salinas to allow additional social economic programs to benefit and improve the lives of the citizens of the City of Salinas.
- Green build out (environmentally-friendly fulfillment of needs) taking into account the environment, sustainability and longevity of the resources in the City of Salinas.
- The principals of Sanborn Distribution are committed to participating in community outreach programs and community services for various nonprofit organizations throughout the City of Salinas.
- Various community programs covering a plethora of topics from health and wellness to cannabis technological advances.
- Continual philanthropic funding through the Sanborn Distribution and the principals.
- A food drive during the holidays.
- Sanborn Distribution is dedicated to its commitment to give back to the City of Salinas. If a need arises that has not been addressed, the principals are willing to participate both financially and in time and energy to the cause.

12

12. ENHANCED PRODUCT SAFETY

12A. LABELING REQUIREMENTS

12B. CONSUMER AND PRODUCT SAFETY

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12A. LABELING REQUIREMENTS

Packaging & Labeling:

The operators will follow all cannabis packaging and labeling requirements as set forth by the State. The cannabis product shall be placed into a tamper-proof package. As per California code stated earlier, labels and packages of our cannabis products shall meet the following requirements:

- Cannabis packages and labels shall not be made to be attractive to children.
- All cannabis product labels shall include the following information, prominently displayed and in a clear and legible font.
- Manufacture date and source.
- The statement "SCHEDULE I CONTROLLED SUBSTANCE."
- The statement "KEEP OUT OF REACH OF CHILDREN AND ANIMALS" in bold print.
- For medicinal products, the statement "FOR MEDICAL USE ONLY."
- The statement "THE INTOXICATING EFFECTS OF THIS PRODUCT MAY BE DELAYED BY UP TO TWO HOURS."
- The statement "THIS PRODUCT MAY IMPAIR THE ABILITY TO DRIVE OR OPERATE MACHINERY. PLEASE USE EXTREME CAUTION."
- For packages containing only dried flower, the net weight of cannabis in the package.
- A warning if nuts or other known allergens are used.
- List of pharmacologically active ingredients, including, but not limited to, tetrahydrocannabinol (THC), cannabidiol (CBD), and other cannabinoid content, the THC and other cannabinoid amount in milligrams per serving, servings per package, and the THC and other cannabinoid amount in milligrams for the package total.
- Clear indication, in bold type, that the product contains cannabis.
- Identification of the source and date of manufacturing and manufacture.
- Any other requirement set by the Bureau.
- Information associated with the unique identifier issued by the Department of Food and Agriculture pursuant to Section 11362.777 of the Health and Safety Code.
- Only generic food names may be used to describe edible cannabis products.

Please see attached State requirements that the applicants will follow.

From: Bureau of Cannabis Control <BCC-GENERAL@DCALISTS.CA.GOV> on behalf of Bureau of Cannabis Control <BCCmail@DCA.CA.GOV>
Sent: Monday, July 02, 2018 10:08 AM
To: BCC-GENERAL@DCALISTS.CA.GOV
Subject: New Packaging and Labeling Resources Available

The California Department of Public Health (CDPH) has released new resources to assist cannabis manufacturers and other businesses in understanding and evaluating compliance with packaging and labeling requirements.

Packaging and Labeling Checklists:

- Packaging Checklist for Cannabis and Cannabis Products – this checklist includes an explanation of child-resistant packaging requirements: <https://goo.gl/T2aq6B>
- Labeling Checklist for Cannabis Products: <https://goo.gl/dFLW7Q>
- Labeling Checklist for Cannabis Products with Small Containers: <https://goo.gl/D6fh89>

Common Packaging and Labeling Questions:

What are the labeling requirements for cannabis and pre-rolls that only contain cannabis?

Cannabis (flower and pre-rolls that only contain flower) must meet the basic requirements outlined in Business & Professions Code - Division 10, Chapter 12. CDPH has not specified any additional requirements for cannabis in the emergency regulations.

Can CDPH provide feedback on my label?

CDPH is not able to review manufacturer's labels for all of the cannabis products that are sold throughout the state of California.

Can I make the Universal Symbol white or another light color if my packaging is dark?

The Universal Symbol must be black. It cannot be modified, other than resizing, and the color cannot be changed from black. The symbol must be visible on your label. If your packaging is dark, you can use a lighter background color on your label where the symbol will be placed or you can outline the symbol using a contrasting color.

Which products require opaque packaging?

Only edible cannabis products are required to be in opaque packaging. Edibles are products similar to traditional food products, such as cakes, cookies, beverages and juices, tea and coffee, chocolates, gummies, gum and mints.

Additional FAQs on packaging and labeling are available on our website: www.cdph.ca.gov/mcsb.

About the Manufactured Cannabis Safety Branch

The California Department of Public Health's Manufactured Cannabis Safety Branch (MCSB) is one of three state cannabis authorities charged with licensing and regulating commercial cannabis activity in California. MCSB regulates all commercial cannabis manufacturing in the state and strives to protect public health by ensuring commercial cannabis

manufacturers operate safe, sanitary workplaces and produce products that are free of contaminants, meet product guidelines and are properly packaged and labeled.

For more information on CDPH's Manufactured Cannabis Safety Branch, visit www.cdph.ca.gov/mcsb. For questions, contact us: mcsb@cdph.ca.gov or (855) 421-7887.

To unsubscribe from this email list please click on the link below and follow the instructions on the web page.

<https://www.dca.ca.gov/webapps/bcc/subscribe.php>

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PACKAGING REQUIREMENTS

CANNABIS AND CANNABIS PRODUCTS



The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) included basic requirements for how cannabis and cannabis products must be packaged before sale. These requirements apply to all cannabis flower, pre-rolls and manufactured cannabis products. They do not apply to shipping or transport containers.

DOs

- ☒ Package manufactured cannabis products prior to transfer to a distributor as finished product. Cannabis flower may be packaged by a cultivator, manufacturer or distributor.
- ☒ Protect the product from contamination.
- ☒ If a product has multiple layers of packaging, the packaging requirements can be fulfilled using any one of those layers.

DON'Ts

- ☒ Cannot imitate packaging used for products typically marketed to children.
- ☒ Cannot imitate packaging used for non-cannabis food products.

PACKAGING CHECKLIST

- ☐ **Tamper Evident** – A consumer knows if the package has been opened.
Ex: a plastic seal, a sticker across the lid that is ripped when opened, a jar with a lid that pops up after opening, etc.
- ☐ **Child Resistant** – The packaging meets the standard for child-resistant under the federal Poison Prevention Packaging Act of 1970. See back of this handout for more information.
- ☐ **Resealable [For products with multiple uses]** – The package can be closed after each use.
Ex: a lid, adhesive closure, box top closure, etc.
- ☐ **Opaque [For edibles only]** – The package is not transparent; consumers cannot see the product through the packaging.

CHILD RESISTANT PACKAGING

Child-resistant packaging (CRP) is packaging that is designed to be difficult for children under five years of age to open. The standards for child-resistant packaging are listed in the federal Poison Prevention Packaging Act of 1970 (PPPA, 16 CFR §1700.1).

State law requires all cannabis and cannabis products to be in child-resistant packaging.

Types of CRP:

- **Single Use (“Initial CRP”)** – the package is initially child resistant, but once opened, it is no longer child resistant.
- **Multiple Use (“Lifetime CRP”)** – the package maintains its child resistance throughout the life of the package. It can be opened and closed, and it remains child resistant.

FAQs

What type of CRP does my product need?

Under the Emergency Regulations, only edibles must be packaged in lifetime CRP. Cannabis and all other cannabis products must be packaged in initial CRP.

Is my package child resistant?

Packaging receives certification after it passes testing and is proven to meet the PPPA standard. Ask your packaging supplier if the packaging you are considering has proof of certification.

Why can't exit packages be used to satisfy CRP requirements?

Exit packaging, used at the time of retail sale, is not required to be child-resistant and therefore cannot be used to satisfy the statutory requirement for child-resistant packaging.

For More Information on CRP

The Consumer Product Safety Commission, which administers the PPPA, has additional information about what qualifies as child-resistant, the procedures for testing and certification, and a list of testing firms: <https://www.cpsc.gov/Regulations-Laws-Standards/Statutes/Poison-Prevention-Packaging-Act>.

California Department of Public Health
Manufactured Cannabis Safety Branch

www.cdph.ca.gov/mcsb

mcsb@cdph.ca.gov

www.cannabis.ca.gov



LABELING REQUIREMENTS

MANUFACTURED CANNABIS PRODUCTS



Cannabis products must be properly labeled to ensure consumers are informed about what they are purchasing and to prevent unintended use. *Note: These guidelines are based on the CDPH Emergency Regulations and apply only to cannabis products. Cannabis (flower and pre-rolls that only contain flower) must meet the basic requirements specified in Division 10 of the Business & Professions Code.*

PARTS OF A LABEL:

- **Primary panel** – the part of the package most likely to be displayed to the consumer at retail; typically the front or top
- **Informational panel** – any other portion of the label

LABELING DOs:

- ✓ Display information clearly and legibly
- ✓ Make sure all labeling information is seen on the outer layer of packaging
- ✓ Use English and at least 6 point font
- ✓ Include both THC and CBD content on the primary panel

LABELING DON'Ts:

- ✗ **California county names**—Cannot include the name of a California county anywhere on the label unless 100% of the cannabis in the product was grown there.
- ✗ **Cannot be attractive to children**—This includes using cartoons, images popularly used to advertise to children, imitating candy labeling, and using the words “candy” or “candies” anywhere on the label.
- ✗ **Cannot include false or misleading information**—This includes anything untrue or unproven, or information that leads consumers to have an inaccurate impression.
- ✗ **Cannot make unproven health claims**—Health-related statements, such as claims about a product’s ability to treat or cure disease, may not be made unless there is significant scientific agreement and the claims are supported by a totality of publicly-available peer-reviewed evidence. Anecdotal information and preliminary study results do not meet this criteria.
Note: Health-related statements are extensively regulated by the FDA, and cannabis businesses are not exempt from federal prosecution for misleading health statements.
- ✗ **Modifications to Universal Symbol**—Cannot alter symbol or use a color other than black.

CANNABIS PRODUCTS WITH SMALL CONTAINERS:

If your product packaging is small and you cannot fit all of the required labeling, you can use a supplemental label, such as a hang tag or peel-back label, to include some of the required labeling. More information about supplemental labels and a labeling checklist for cannabis products with small containers are available at www.cdph.ca.gov/mcsb

LABELING CHECKLIST—Manufactured Cannabis Products

PRIMARY PANEL (Minimum 6 pt font)

☐ **Product identity**

A generic or common name that describes the product. Examples include dark chocolate, fruit chew, vape cartridge, lotion, tincture, etc.

☐ **Universal symbol** [in black, at least 0.5"x0.5"]

The California symbol that identifies products as containing cannabis. The symbol can be downloaded at www.cdph.ca.gov/mcsb.

Net weight or volume

The weight or volume of the cannabis product, not including the packaging.

☐ **THC and CBD per package** [in milligrams]

The total amounts of Δ^9 -THC (THC) and cannabidiol (CBD) in the package. Other cannabinoids may be listed but are not required.

Edible products must also have:

☐ **"Cannabis-Infused"**

These words must be listed above the product identity and in a text size larger than the one used for the product identity.

☐ **THC and CBD per serving**
[in milligrams]

The amount of Δ^9 -THC (THC) and cannabidiol (CBD) in each serving.

INFORMATIONAL PANEL (Minimum 6 pt font)

☐ **Manufacturer name and contact**

The name of the licensed manufacturer and their phone number or website. The name must match the legal or DBA name listed on the CDPH license.

☐ **Date of manufacture**

☐ **List of ingredients** [in descending order by weight or volume]

☐ **Instructions for use and any preparation needed**

☐ **UID number**

The unique tracking number issued through Track-and-Trace.

Note: This requirement will begin when you receive your Track-and-Trace login. Do not create a placeholder UID number.

☐ **Government warning statement for cannabis products**
[in capital letters and bold font]

☐ **"FOR MEDICAL USE ONLY"**

[for non-edible products with more than 1000mg THC]

☐ **Expiration, use-by or best-by date** [if any]

☐ **Batch number** [if any]

Edible products must also have:

☐ **Sodium, sugar, carbohydrates, and total fat** [in grams per serving]

☐ **Allergens** [If applicable]

A list of any major food allergen in the product. The major food allergens are milk, egg, tree nuts, wheat, peanuts, soybeans, fish or crustacean shellfish. Use the specific food name when disclosing allergens (i.e. "almonds" instead of "tree nuts").

☐ **Artificial food colorings**
[If applicable]

Note: Edibles are products similar to traditional food products, such as cakes, cookies, beverages and juices, tea and coffee, chocolates, gummies, gum and mints.

California Department of Public Health
Manufactured Cannabis Safety Branch

www.cdph.ca.gov/mcsb

mcsb@cdph.ca.gov

www.cannabis.ca.gov



From: Bureau of Cannabis Control <BCC-GENERAL@DCALISTS.CA.GOV> on behalf of Bureau of Cannabis Control <BCCmail@DCA.CA.GOV>
Sent: Thursday, June 07, 2018 1:00 PM
To: BCC-GENERAL@DCALISTS.CA.GOV
Subject: Transition Period Requirements

The transition period in the licensing authorities' regulations allowing exceptions from specific regulatory provisions ends on June 30, 2018. Beginning July 1, 2018, cannabis goods must meet all statutory and regulatory requirements. Cannabis goods that do not meet all statutory and regulatory requirements must be destroyed in accordance with the rules pertaining to destruction.

LABORATORY TESTING REQUIREMENTS:

Beginning July 1, 2018, a licensee may only sell cannabis goods that have been tested and passed all testing requirements in effect at the time of testing.

-Untested cannabis goods cannot be sold by a retailer and must be destroyed. A retailer may not send cannabis goods to a distributor for testing.

-Untested cannabis goods manufactured or harvested before January 1, 2018, in possession of a distributor that are owned by the distributor must be destroyed.

-Untested cannabis goods manufactured or harvested before January 1, 2018, in the possession of a distributor owned by a manufacturer or cultivator may be returned to the licensee who owns the cannabis goods. If a cultivator or manufacturer chooses to sell the returned cannabis goods, the cannabis goods must be sent to a distributor for testing and must meet all of the testing requirements in effect at the time of testing before transported to a retailer for sale.

PACKAGING AND LABELING REQUIREMENTS:

Beginning July 1, 2018, all packaging and labeling must be performed prior to cannabis goods being transported to a retailer.

-A retailer shall not accept cannabis goods that are not properly packaged and labeled. A retailer shall not package or label cannabis goods, even if the cannabis goods were in inventory before July 1, 2018. However, for medicinal sales, retailers will place a sticker on cannabis goods stating, "FOR MEDICAL USE ONLY" upon sale to a qualified medicinal consumer, unless the statement is already printed on the package.

-A retailer may not send unpackaged cannabis goods to another licensee for packaging or labeling. Cannabis goods in possession of a retailer that do not meet packaging and labeling requirements must be destroyed.

-Exit packaging is not required to be child-resistant and can no longer be used to satisfy the child-resistant packaging requirements. All cannabis goods must be in child-resistant packaging prior to delivery to a retailer.

THC LIMITS FOR EDIBLE CANNABIS PRODUCTS:

Beginning July 1, 2018, edible cannabis goods may not exceed 10 milligrams of THC per serving and may not exceed 100 milligrams of THC per package.

THC LIMITS FOR NON-EDIBLE CANNABIS PRODUCTS:

Beginning July 1, 2018, non-edible cannabis products must meet package THC restrictions.

-Non-edible cannabis products shall not contain more than 1,000 milligrams of THC per package if intended for sale only in the adult-use market.

-Non-edible cannabis products shall not contain more than 2,000 milligrams of THC per package if intended for sale only in the medicinal market.

INGREDIENTS AND APPEARANCE OF CANNABIS PRODUCTS:

Beginning July 1, 2018, a retailer may only sell cannabis products that meet the requirements set by the California Department of Public Health for ingredients or appearance.

The requirements listed above can also be found in the transition period fact sheet located here on our website:
http://www.bcc.ca.gov/about_us/documents/transition_period_fact_sheet.pdf

For additional information about transition period requirements, or to subscribe to email alerts to hear about updates as they become available, please visit the Bureau's website at <http://www.bcc.ca.gov/>. For information on all three state licensing authorities, please visit the state's California Cannabis Portal at <https://cannabis.ca.gov/>. Follow the Bureau on Facebook, Twitter and Instagram for daily news and updates.

Those looking to get in touch with the Bureau of Cannabis Control can call our Call Center at (833) 768-5880, or send an email to bcc@dca.ca.gov.

To unsubscribe from this email list please click on the link below and follow the instructions on the web page.

<https://www.dca.ca.gov/webapps/bcc/subscribe.php>

You may reply to this email by contacting bcc@dca.ca.gov

b

12B. CONSUMER AND PRODUCT SAFETY

Quality Control:

Sanborn Distribution believes that product safety starts with clean cultural control and sanitation practices and will employ a quality control manager, who will adhere to quality control standards implemented in the cannabis industry as well as other rules and regulations. The quality control manager will be highly experienced and a trained professional who has experience overseeing quality control standards and protocols in California's agricultural production systems. The applicants will maintain compliance with all regulating bodies at the City of Salinas and State of California level.

Product Recall:

In the event the cannabis products sold and/or produced by the applicants has been suspected of causing any adverse reaction or harm to patients/retail customers, in place will be a Product Recall Policy designed for quick and thorough response.

Internal Immediate Response Recall Procedure - Cannabis

All employees and managers will be trained in initial adverse effect reporting and recall procedure. The General Manager and Compliance Control Manager will lead the initial response.

- Upon receiving a complaint of this nature, the General Manager is first alerted by whoever receives the information.
- General Manager will then meet with the Compliance Manager and Quality Control Manager to debrief the situation.
- Details of the report will be documented immediately.
- The management team will follow the California Department of Public Health Recall Guidelines followed by adherence to FDA Guidelines for adverse effect reporting and recall protocols.

The recall plan which provides for specific procedures, defines terms and assigns roles and responsibilities when a safety issue arises with any of our products. The plan will be activated whenever a potential recall requirement arises and includes the following elements:

- Recall responsibility assignments
- Key personnel and external contact information
- Recall procedures
- Communication templates

13

13. ENVIRONMENTAL BENEFITS

13A. GREEN BUSINESS PRACTICES

13B. WATER CONSERVATION

13C. ENERGY EFFICIENCY MEASURES

13D. WASTE MANAGEMENT PLAN

a

13A. GREEN BUSINESS PRACTICES

Sanborn Distribution is dedicated to conducting its operations in a manner that is ecologically sustainable from an energy consumption, water consumption and waste generation standpoint. In furtherance of these goals, Sanborn Distribution will consult with and, as necessary, seek advice from an Environmental or Architectural Engineer to assist with its Environmental Sustainability Plan and will, at a minimum, adopt and adhere to Best Management Practices that include methods, policies and procedures. Further, all proposed building improvements will take the necessary precautions to avoid any adverse environmental impacts.

b

13B. WATER CONSERVATION MEASURES

The applicants have resided in the Salinas Valley for decades and as such they are sensitive to the need to conserve our water source. In keeping in practice with the company's mission statement the facility will instruct, train and educate its staff as to water conservation measures, including the following methods:

- Avoiding water wasting techniques such as:
- Allowing water to run during washing/rinsing procedures when no active washing or rinsing is occurring.
- Using the restroom facility to flush and dispose of small items that are more properly disposed of using trash containers.
- The identification and reporting to appropriate management members of leaks in any portion of the water delivery, distribution and plumbing systems in and about the premises where the facility conducts its operations.
- Utilizing any and all available ALCO/ California Water programs and private resources tasked with water conservation efficiency and the education of the public regarding same.

Sanborn Distribution will employ water conserving equipment and materials, as follows:

- Water meter monitor including technology to identify leaks.
- The use of low flow equipment in sinks and toilets.
- The use of cleaning agents that do not rely on water.
- An HVAC system that collects and recycles condensate.

The property's water source is through Cal Am.

c

13C. ENERGY EFFICIENCY MEASURES

As to maximizing energy efficiency, the implementation of measures that include the following:

For lighting equipment and controls:

- Use of fluorescent/LED lighting in all areas of the premises.
- Use of Energy Star lighting products.
- Use, where appropriate, of photo-controls for exterior lighting unless security needs dictate otherwise.

For HVAC equipment and controls:

- Installation of vent dampers.
- Analysis of systems and replacement of inefficient components.
- Use of programmable thermostats and controls.
- Sealing and insulation of ducts and hot water pipes.
- Use of Energy Star HVAC products.

For the building envelope:

- Install and/or increase roof and wall insulation.
- Control air leakage.
- Install storm doors.
- Insulate and seal skylights (if any) and windows.
- Use of storm/insulated windows carrying the Energy Star label.
- The facility will use green building measures whenever feasible, utilizing materials such as denim insulation, non-toxic paint, and materials that do not off-gas.

Use of natural light:

- Attempting to meet or exceed the energy efficiency requirements of the International Energy Conservation Code.

PG&E Programs:

Sanborn Distribution will apply for and utilize any and all available PG&E programs for free technical assistance in creating an energy efficient plan for construction of the building shell, tenant improvements, building systems and processes and effectuating the other goals stated in this part.

Solar Panels:

The facility proposes to install solar panels on the building and draw on that during daylight hours and endeavor to sell excess electrical output back to the PG&E grid within the next five (5) years.

Alternative Fuel Vehicles:

The facility will use electric vehicles for all of its internal and transportation needs.

d

13D. WASTE MANAGEMENT PLAN

Sanborn Distribution will endeavor to reduce, to the greatest extent possible, the generation of any excess cannabis product debris or waste materials. The distribution facility anticipates that it will be a zero or near zero waste facility in this regard, as the distribution operations do not create excess cannabis waste.

For any material that must be discarded or destroyed:

- Sanborn Distribution will identify one or more landfills or transfer stations that will receive cannabis waste material. Johnson Canyon landfill located at 31400 Johnson Canyon Rd, Gonzales, CA 93926, will be our site of choice.
- The operators will identify an employee responsible for segregating and disposing of the cannabis waste matter.
- Any cannabis or cannabis plant debris that is designated for destruction or disposal will be identified by date, batch, and volume by the Inventory Control System and will be ground, milled, or otherwise processed into a gauge where the particles can be readily combined with another substance so as to render the ground/milled/processed cannabis plant material non-viable.
- Once processed for disposal, the material to be discarded or destroyed will be combined with mulched cardboard, used plant soils, or other non-toxic inert material so as to render unusable the cannabis plant matter contained therein.

Following the rendering of any potentially usable cannabis non-viable by the above described method, the employee responsible for the destruction/disposal of the material will isolate and identify said material pending transfer to a designated waste generation facility.

All cannabis waste product will be kept in locked designated bins stored inside the facility to prevent theft and will be tracked via BioTrackTHC and transported with manifest according to local ordinance and state mandates.

14

14. LABOR AND EMPLOYMENT

Please also see Community Benefits in Section 11.

Employee Safety

The physical safety of our employees is extremely important and will not be compromised under any circumstances. This includes a written and posted evacuation plan, fire safety procedure, health related emergency procedure and procedures involving a security incident. All staff will be given written instructions and secondary training regarding what to do when encountering any of these events. The facility will be regularly inspected to comply with all building and fire permit requirements, and updated as needed to ensure all persons entering the facility are safe from harm during normal operations as well as in the event of an emergency or incident. Immediately following any incident, a written report will be generated to document the details and be available for further investigation to determine cause and prevent further incidents in the future. Parking areas will be regularly monitored by Uretsky Security specialists to ensure safety and security for both staff and neighbors.

FIRE AND DISASTER EVACUATION SIGNAGE PROCEDURES AND TRAINING

Overview

Sanborn Distribution recognizes that effective and timely response to emergencies is vital in securitizing operations. Therefore, all personnel will be thoroughly trained in emergency response and evacuation procedures. To aid in effective emergency and evacuation response the operators will ensure the following:

- Fire alarm pull boxes are clearly identified and all personnel are trained in their locations and operations.
- Exits will be clearly identified, checked routinely and maintained to avoid obstructions.
- Fire exit doors are clearly identified and all personnel are trained in their locations and operations.
- Fire exit doors will be checked routinely for proper functionality.
- Fire, natural disaster and subsequent evacuation drills will be performed regularly.
- Emergency telephone numbers and relevant Sanborn Distribution management contact information will be posted near all telephones.
- Fire and emergency evacuation exit diagrams will be posted in each building.

Fire Evacuation Procedures

When personnel discover a fire or smoke condition, they are instructed to sound the building alarm by activating the nearest pull station and immediately call 911.

Whenever the fire alarm is sounded all personnel are instructed to leave immediately and report to the designated evacuation assembly space. Sanborn Distribution's personnel are trained not to assume the

fire alarm is false or a test but to respond with “real world” protocols. All employees are trained to help others if they can do so safely.

When evacuating a space personnel are trained in the following exit protocols:

- Upon egress to close but not lock doors behind them and carry keys if possible for automatic locks in the case of forced retreat to the evacuated space for refuge.
- Check for signs of heat by touching doors before opening them. Doors that seem cool should be opened slowly and with caution.
- Personnel encountering smoke are trained to crawl or “get low” one (1) to two (2) feet from the floor to avoid smoke inhalation.
- Personnel are trained to seek an alternate route if the main exit is obstructed by fire, smoke or building damage.
- In the event of exit obstruction by fire or smoke personnel are trained to retreat to their normal area of operation or the nearest safe area in their vicinity and wait for rescue.

In the event personnel are awaiting rescue they will be trained to adhere to the following protocols:

1. Close all doors between yourself and the fire.
2. Attempt to seal doors with cloth to keep smoke out.
3. Call 911 to notify first responders of your location.

Once personnel have evacuated their respective buildings or spaces they are trained to immediately present at the designated evacuation assembly space. The designated security officer will begin and continue to perform head counts to ensure all persons have evacuated danger zones and are accounted for at the designated evacuation assembly space.

Sanborn Distribution personnel are trained to never re-enter evacuated spaces or buildings to search for or rescue someone believed to be missing. In the event of un-accounted for or missing individuals, employees are trained to immediately inform first responders and appropriate authorities.

Staff Training Program:

The distribution facility will provide instruction/training to its staff that relate to its basic operating procedure in addition to the following areas:

- The proper use of security measures and controls that have been adopted by the distribution facility for the security of the facility and to prevent diversion, theft or loss of cannabis.
- Procedures and instructions for responding to an emergency.
- State and federal statutes and regulations regarding confidentiality of information related to the use of cannabis.
- The different products distributed by the operation.
- The prohibition on transacting cannabis with unauthorized suppliers.
- The prohibition of transacting cannabis with unauthorized persons.

- Understanding the difference between topical products, edible cannabis products and cannabis-infused products, as applicable to the operations of the facility for the distribution of edible cannabis products or cannabis-infused products.
- The proper procedures for handling edible cannabis products or cannabis-infused products, including, without limitation, the procedures used to produce, package and store such products as required by the provisions of the governing statute and related regulations.

Proper sanitation as to the handling of cannabis products, including:

- Avoiding bare hand and arm contact with exposed, finished cannabis products.
- The use of suitable utensils such as deli tissue, spatulas, tongs, single-use gloves or dispensing equipment when handling exposed, finished edibles or infused products.
- Keeping his or her hands and the exposed portions of his or her arms clean.
- Cleaning hands and exposed portions of his or her arms (or, as applicable, surrogate prosthetic devices for hands and arms), during the following times and circumstances:
 - Immediately before working with usable cannabis or other cannabis products prior to packaging.
 - After touching bare human body parts other than clean hands and exposed portions of arms.
 - After using the restroom.
 - After coughing, sneezing, using a handkerchief or disposable tissue, using tobacco, eating or drinking.
 - After handling soiled equipment.
- As often as necessary to remove soil and contamination and to prevent cross-contamination when changing tasks.
- Keeping fingernails trimmed, filed and maintained so that the edges and surfaces are cleanable.
- Unless wearing intact gloves in good repair, avoiding the use of fingernail polish or artificial fingernails on his or her fingernails.
- Wearing clean clothing appropriate to the tasks assigned to him or her.
- Proper washing techniques, as follows:
 - Taking at least 20 seconds to complete the washing procedure, using a hand washing sink and cleaning compound.
 - Rinsing under clean, running warm water.
 - Applying an amount of cleaning compound recommended by the manufacturer of the compound.
 - Rubbing together vigorously for at least 15 seconds while paying particular attention to removing soil from underneath the fingernails and creating friction on the surfaces of the hands and arms, fingertips and areas between the fingers.
 - Thoroughly rinsing under clean, running warm water.
 - Thoroughly drying the washed body part.

Additional Training as to The Distribution Facility's President and/or Executive Director:

In addition to any other training given to the facility's staff, the President or, in the event of the hire of an Executive Director (ED, who will be responsible for the day-to-day management), such ED, will be trained/ instructed in the principles of disease prevention, and the requirements of state and local regulations by:

- Cross-contamination.

- Hand contact with finished cannabis products and ingredients.
- Hand washing.
- Maintaining the establishment in a clean condition and in good repair.
- The correct procedures for cleaning and sanitizing utensils and the surfaces of equipment that have direct contact with cannabis products and ingredients.
- The identification of poisonous or toxic materials in the facility and the procedures necessary to ensure that those materials are safely stored, dispensed, used and disposed of according to applicable state and federal laws and regulations.

Occupational Health and Safety Standards – Sanitary Practices:

The distribution facility will meet or exceed all OSHA standards for safety in the work place. The facility will offer a clean, safe and comfortable environment for its employees and associates. In the event the staff determines that a staff member has a health condition that may affect the safety or quality of the products it distributes, or the health of other staff members, it will place the affected person on medical leave until such time as the health condition of the employee no longer presents a threat.

Hazardous Response Plan

EMERGENCY SITUATIONS:

In case of emergency please contact 911.

LOSS OF POWER:

The facility will be equipped with backup power generation (all required permits will be sought first) to continue basic functions during a power outage situation.

In case of power outage, please follow steps described below.

- If needed, access a flashlight and move safely towards the closest lighted exit.
- If power is only out within a section of the building, check subpanels that might be located closest to the outage. If breakers have moved within the panel, contact your local electrician.
- Have authorized personnel check status of the power supply within the power room.
- Contact local electrical municipality to solve power outage.

FIRE AND DISASTER EVACUATION SIGNAGE PROCEDURES AND TRAINING:

Overview

Sanborn Distribution recognizes that effective and timely response to emergencies is vital in securitizing operations. Therefore, all personnel will be thoroughly trained in emergency response and evacuation

procedures. To aid in effective emergency and evacuation response the applicants will ensure the following:

- Fire alarm pull boxes are clearly identified and all personnel are trained in their locations and operations.
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Fire Evacuation Procedures

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Whenever the fire alarm is sounded all personnel are instructed to leave immediately and report to the designated evacuation assembly space. All personnel are trained not to assume the fire alarm is false or a test but to respond with "real world" protocols.

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- Upon egress to close but not lock doors behind them and carry keys if possible for automatic locks in the case of forced retreat to the evacuated space for refuge.
- Check for signs of heat by touching doors before opening them. Doors that seem cool should be opened slowly and with caution.
- Personnel encountering smoke are trained to crawl or "get low" one (1) to two (2) feet from the floor to avoid smoke inhalation.
- Personnel are trained to seek an alternate route if the main exit is obstructed by fire, smoke or building damage.
- In the event of exit obstruction by fire or smoke personnel are trained to retreat to their normal area of operation or the nearest safe area in their vicinity and wait for rescue.

In the event personnel are awaiting rescue they will be trained to adhere to the following protocols:

4. Close all Doors Between Yourself and the Fire
5. Attempt to Seal doors with Cloth to Keep Smoke Out
6. Call 911 to Notify First Responders of Your Location

Once personnel have evacuated their respective buildings or spaces they are trained to immediately present at the designated evacuation assembly space. The designated security officer will begin and

continue to perform head counts to ensure all persons have evacuated danger zones and are accounted for at the designated evacuation assembly space.

The applicants and their employees will be trained to never re-enter evacuated spaces or buildings to search for or rescue someone believed to be missing. In the event of un-accounted for or missing individuals, employees are trained to immediately inform first responders and appropriate authorities.

Hazardous Materials Storage

It is not anticipated that hazardous materials will be stored at the distribution facility.

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15. LOCAL ENTERPRISE

Sanborn Distribution is founded by principals that were raised in the Salinas Valley and are local business owners whose focus is benefiting the community of Salinas. Over the years the Alvarez brothers have built strong ties in the community and their focus is giving back to the community. Sanborn Distribution is a local venture, managed by local people and financed with local funds. For a detailed background and history of the principals, please see Section 16.

As such, the opportunity to serve and support the local community is of utmost importance.

Sanborn Distribution will contribute to the community as follows (please also see Section 11):

Local Business Support

The applicants will continue to give local businesses priority when purchasing its operating equipment and services. The principals of Sanborn Distribution are long standing members of the community of Salinas and maintain relationships with many local suppliers. They have shown its commitment to local business by contracting for its security equipment and service needs with local businesses and will continue that commitment in its operations.

Local Hiring Priority

Sanborn Distribution will do its best to hire employees residing in the City of Salinas, the greater areas of Salinas and the Monterey County. It is important to the applicants that they employ individuals within the local jurisdiction to promote local enterprise, initiate commerce in the local and greater Salinas area and stimulate the local economy.

Local Philanthropic Support

The applicants will continue to provide substantial financial support to local community organizations that promote educational, music, and sports programs. It is their commitment to provide a percentage of its gross revenue to worthy community organizations.

Local Agricultural Innovation

It is well known that the Salinas Valley is one of the most important and productive agricultural communities on the planet. Salinas is also a major source of AgTech innovation. Sanborn Distribution hopes to witness local innovators in the agricultural community produce new technology and breed unique strains with greater medicinal benefits.

Principals' Residences and Business Operations and Involvements with Non-Profit Organizations

Please see Sections 11 and 16.

16. QUALIFICATIONS OF PRINCIPALS

Sal Alvarez

Originally from Mexico, Sal Alvarez and his family landed in Monterey County in 1977. Since then he and his brothers have built an extraordinary business enterprise throughout Monterey County and are looking to expand their businesses and bring economic development to the City of Salinas.

Currently the Alvarez brothers own and operate three (3) separate and profitable Ace Hardware stores throughout the County of Monterey. At these stores they have over 50 employees who are provided benefits and paid time off.

In 2014 the brothers expanded their business empire to the Salinas Valley where they started purchasing farmland properties housing dilapidated greenhouses. Over time they refurbished the greenhouses, sold some of the properties and leased many of the greenhouses to cannabis businesses. They were among the first people to embark on the cannabis industry in Monterey County. Their tenants contribute hundreds of thousands of dollars in local cannabis tax, have created a plethora of jobs for the local economy and the property values have risen substantially.

They have further expanded their business portfolio by purchasing a cold storage facility in Watsonville. At this facility they store jams and juice for retailers such as Martinelli's and Smucker's.

Sal Alvarez is a family man with grown children who were raised in Monterey County. His philanthropic dedication is known throughout the community from his years of financial commitment to such organizations as Rancho Cielo and the Sheriff's Foundation to name a few. He does not have a criminal history and he has not been the subject of civil litigation.

It is his and his family's goal to bring their success to the City of Salinas by opening a distribution facility, retail store and manufacturing facility within the City on a parcel they recently purchased. It is their intention to again refurbish the land in an effort to improve community esthetics, create local jobs, increase property value and give back to the City of Salinas.

Jose Alvarez

Originally from Mexico, Jose Alvarez and his family landed in Monterey County in 1977. Since then he and his brothers have built an extraordinary business enterprise throughout Monterey County and are looking to expand their businesses and bring economic development to the City of Salinas.

Currently the Alvarez brothers own and operate three (3) separate and profitable Ace Hardware stores throughout the County of Monterey. At these stores they have over 50 employees who are provided benefits and paid time off.

In 2014 the brothers expanded their business empire to the Salinas Valley where they started purchasing farmland properties housing dilapidated greenhouses. Over time they refurbished the greenhouses, sold some of the properties and leased many of the greenhouses to cannabis businesses. They were among the first people to embark on the cannabis industry in Monterey County. Their

tenants contribute hundreds of thousands of dollars in local cannabis tax, have created a plethora of jobs for the local economy and the property values have risen substantially.

They have further expanded their business portfolio by purchasing a cold storage facility in Watsonville. At this facility they store jams and juice for retailers such as Martinelli's and Smucker's.

Jose Alvarez is a family man with grown children who were raised in Monterey County. His philanthropic dedication is known throughout the community from his years of financial commitment to such organizations as Rancho Cielo and the Sheriff's Foundation to name a few. He does not have a criminal history and he has not been the subject of civil litigation.

It is his and his family's goal to bring their success to the City of Salinas by opening a distribution facility, retail store and manufacturing facility within the City on a parcel they recently purchased. It is their intention to again refurbish the land in an effort to improve community esthetics, create local jobs, increase property value and give back to the City of Salinas.

Business History

The Alvarez Brothers have owned or currently own the following businesses:

Ace Hardware Gonzales
851 5th Street
Gonzales

Ace Hardware Castroville
11262 Merrit Street
Castroville

Ace Hardware Prunedale
8065 San Miguel Canyon Road
Prunedale

Mike's Bar
10749 Merrit Street
Castroville

Aromas Grill
304 Carpenteria Road
Aromas

Ichiban Sushi

17561 Vierra Canyon Road
Prunedale

A & A Electric Company
1328 Burton Avenue
Salinas

Pleasantville Trailer Park
13100 Monte Del Lago
Castroville

Alvarez Brothers LLC
Property Management
25600 Encinal Road
Salinas

Marinovich Cold Storage
13526 Blackie Road
Castroville

17. PROOF OF OWNERSHIP

RECORDING REQUESTED BY:

Old Republic Title Company

Escrow No.: 0622020860

APN: 003-561-015, 003-561-023

When Recorded Mail Document and Tax Statements to:

Alvarez Brothers LLC
8065 San Miguel Canyon Road
Salinas, CA 93907

Stephen L. Vagnini
Monterey County Clerk-Recorder
Recorded at the request of:
OLD REPUBLIC TITLE COMPANY |

2018058500

12/31/2018 10:58:22
Titles: 1 Pages: 3

Fees: \$17.00
Taxes: \$1650.00
AMT PAID: \$1667.00

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

Grant Deed

~~Exempt from fee per GC27388.1(a)(2); document recorded in connection with a concurrent transfer
subject to the imposition of documentary transfer tax.~~

The undersigned grantor(s) declare(s):

Documentary Transfer Tax is \$1,650.00

(X) computed on full value of property conveyed, or

() computed on full value less of liens and encumbrances remaining at time of sale.

() Unincorporated area: (X) City of Salinas

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Eliza G. Robledo, sole successor trustee of The Mata Family Living Trust Dated April 28, 2016, who acquired title as Eliza G. Robledo, sole successor trustee of The Mata Family Living Trust Dated April 28, 2016 and Eliza G. Robledo, Trustee of The Mata Family Living Trust Dated April 28, 2016

hereby GRANT(S) to

Alvarez Brothers LLC, a California Limited Liability Company

that property in City of Salinas, Monterey County, State of California, described as:

*** See "Exhibit A" attached hereto and made a part hereof. ***

2016 (9)

Date: December 21, 2018

The Mata Family Living Trust Dated April 28, 2016

By: Eliza G. Robledo
Eliza G. Robledo, Sole Successor Trustee

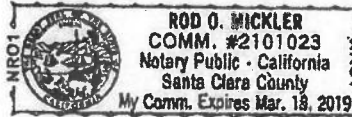
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of CALIFORNIA
County of MONTEREY

On DECEMBER 21, 2018 before me, Rod O. Mickler a Notary Public, personally appeared ELIZA G. ROBLED0 who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: [Signature]Name: Rod O. Mickler
(Typed or Printed)

(Seal)

ORDER NO. : 0622020860

EXHIBIT A

The land referred to is situated in the County of Monterey, City of Salinas, State of California, and is described as follows:

PARCEL ONE:

Lot 13, Block 2, designated on the map entitled "Tract No. 105, Salinas Industrial Acres", filed December 11, 1945 in the office of the County Recorder of the County of Monterey, State of California in Volume 4 of Maps, "Cities and Towns", at Page 75.

PARCEL TWO:

The Southeasterly 136.0 feet of Lot Twelve (12) in Block Two (2), as said Lot and Block are shown on map entitled, "Tract No. 105, Salinas Industrial Acres" filed for record December 11, 1945 in Volume 4 of Maps, "Cities and Towns", at Page 75, Records of Monterey County, California, described as follows:

Beginning at the most Southeasterly corner of Lot 13 in Block 2 as shown on said map, and running in a Northeasterly direction along a line bearing North $36^{\circ} 58' 30''$ East, a distance of 100.0 feet to a point at the extreme Southeasterly corner of said Lot 12 in Block 2, of said Salinas Industrial Acres Subdivision; thence leaving said point and running in a Northwesterly direction along a line bearing North $53^{\circ} 01' 30''$ West, a distance of 136.0 feet to a point located on the common property line between Lots 7 and 12 of above said subdivision; thence leaving said point and running in a Southwesterly direction along a line bearing South $36^{\circ} 58' 30''$ West, a distance of 100.0 feet to a point located on the common property line of Lots 12 and 13 of the above said subdivision; thence leaving said point and running in a Southeasterly direction along a line bearing South $53^{\circ} 01' 30''$ East, a distance of 136.0 feet to the point of beginning.

PARCEL THREE:

A non-exclusive easement over and across the center of that portion of said Lot 12 for the drainage of all normal waterfall from said tract.

APN: 003-561-015 & 003-561-023

Notarized Statement of Property Owner

I, Sal M. Alvarez, am the manager of Alvarez Brothers LLC, the owner of the property located at 743 Sanborn Place, Salinas, California 93901. I have granted Sanborn Retail LLC, Sanborn Distribution LLC, and Sanborn Manufacturing LLC permission to operate commercial cannabis businesses, both medicinal and adult-use, for retail/dispensary, distribution and manufacturing on the property.

Sal M. Alvarez
Signature

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

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)

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COUNTY OF)

On Oct. 22, 2019, before me, Rosa S. Muñoz, a notary public, personally appeared Sal M. Alvarez who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Rosa S. Muñoz
Notary Public

