City of Santa Rosa
JUN 19 2018
Planning & Economic
Development Department

June 19, 2018

Santa Rosa Planning Department
Santa Rosa City Hall
100 Santa Rosa Ave
Santa Rosa, CA 95404

Re: Reply to Notification of Incomplete Application

Applicant:	Black Elm Group LLC
Address:	374 Yolanda Avenue
APN:	044-072-010
Zoning:	IL
Building Size:	10,000 square feet
Lot Size:	.86 acres
Proposed Use:	Cannabis Micro-business

Dear Planning Department Staff,

Thank you for giving us the opportunity to reply to items listed on the notification of incomplete application. We hope you will find the following information sufficient in assessing a complete application. After speaking to Amy Nicholson, it was determined the planning department was unaware that this was an existing building. With that information now clear, there are several items that are not needed to complete the application. The Storm Water Determination Worksheet, Environmental Assessment, and Parking Analysis were waived by Amy. Following is information on the other items.

STORM WATER DETERMINATION WORKSHEET
This project does not propose any changes to the roof or pavement. This is an existing building. Per planning department, Amy Nicholson, this is not needed.

ENVIRONMENTAL ASSESSMENT
This project is proposed for an existing building. Per planning department, Amy Nicholson, this is not needed.

COMPLIANCE
The Black Elm group will comply with all operational standards and conditions for the micro-business permit and license such as background checks, prior felony convictions, restrictions on multiple licenses and license types, and locational criteria. Background checks will be conducted on all employees prior to employment to ensure there are no felony convictions. The locations zoning is IL which is appropriate for the cannabis micro-business.

BUILDING AND FIRE CODES
The Black Elm Group LLC will ensure the site meets standards established by the City of Santa Rosa and the State of California for building permits, fire permits, and CUPA

permits [Section 20-46.050 (E)]. We will ensure ingress and egress as well as ADA compliance is followed at the site. There will be proper ventilation throughout the building. We will work closely with the building division to complete all the required commencing operations. Fire sprinklers will be provided to ensure safety for the associates and the community. Signage will be posted throughout the building to highlight any areas that may be hazardous. A lock box will be provided to ensure access for the Santa Rosa Fire Department.

ODOR MITIGATION PLAN

The Black Elm Group will incorporate and maintain adequate odor control measures such that the odors of Cannabis cannot be detected from outside of the structure. An operational process and maintenance plan will include activities to ensure the odor mitigation system remains functional. Staff training procedures will be put in place for maintaining the system which will include preventative maintenance such as filter replacement. See attached

PARKING ANALYSIS

This project is proposed for an existing building. Per planning department, Amy Nicholson, this is not needed.

LOCATION REQUIREMENTS

See attached

LOCAL AND STATE COMPLIANCE

The Black Elm Group LLC will follow all of The State of California Regulations. This will include the regulations pertaining to allowing returns of purchased cannabis and giving away free cannabis under certain restrictions. Applicant will not package or label cannabis goods and not accept, possess or sell cannabis goods that are not packaged as they will be sold at final sale. Cannabis goods purchased at applicants site by a customer shall not leave the retailer's premises unless goods are placed in an opaque exit package. Applicant will not have on-site or on-staff physician to evaluate patients and provide a recommendation for Cannabis. In addition to the retail operations established in this section, the consumption of Cannabis and Cannabis Products on-site shall not be permitted by patients or customers.

The Black Elm Group LLC, prior to occupancy, will apply for and receive a type 12 micro-business license from the Bureau of Cannabis Control. Additionally, all software and staff training to comply with the Track and Trace system regulated by the California Department of Food and Agriculture will be implemented with ongoing training occurring to ensure up to date knowledge of the staff.

To achieve the required dual licensing with the Environmental Health Service (EHS) Department, The Black Elm Group LLC will apply for and not begin operations until receiving a permit from EHS. To ensure the project is compliant with EHS requirements, these specific features and procedure will be included in the project:

Menu for Edible Cannabis Products offered for sale at the dispensary: A list of all edible cannabis products will be maintained and submitted to EHS as part of the application process. Should new items be added, EHS will be notified prior to the new product being offered in a manner and timeline that meets any requirements EHS places on the permit.

EHS is requiring toilet facilities that are employee accessible. As such, the project is proposing to improve the existing facilities to meet American with Disabilities Act requirements and will submit plans to EHS showing these improvements when the application is submitted.

EHS is requiring the flooring in areas where cannabis products are stored and in toilet facilities to be smooth, non-permeable and easily cleanable. As such this project will use approved products for flooring in toilet facilities as well as for flooring in the cannabis storage areas. We will utilize Palladio wood flooring.

EHS is requiring a sink dedicated for handwashing with hot and cold water and equipped with mounted soap and a towel dispenser which is easily accessible to employees. A designated hand wash sink will be located within the facility.

The Black Elm Group LLC is consistent with the goals and policies of all elements of the City of Santa Rosa General Plan. The proposed project will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

The Black Elm Group LLC is consistent with the Santa Rosa City Code locational and operational requirements. The location is zoned IL.

Employees. The Black Elm Group LLC will maintain a current register of the names of all employees employed by the Cannabis Retailer and will disclose such register for inspection by any City officer or official for purposes of determining compliance with the requirements of this section.

Recordkeeping. The Black Elm Group LLC will maintain patient and sales records in accordance with state law.

Protocols and requirements for patients and persons entering the site. No person will be permitted to enter a Cannabis Retail facility without government issued photo identification. The Black Elm Group LLC will not provide Cannabis or Cannabis Products to any person, whether by purchase, trade, gift or otherwise, who does not possess a valid government -issued photo identification card and a valid physician' s recommendation under Section 11362.712 of the Health and Safety Code.

Hours of operation. The Black Elm Group LLC will operate between the hours of 9: 00 a.m. to 9:00 p.m. up to seven (7) days per week unless the review authority imposes

more restrictive hours due to the particular circumstances of the application. The basis for any restriction on hours shall be specified in the permit.

Secured access. The Black Elm Group LLC is designed to prevent unauthorized entrance into areas containing Cannabis or Cannabis Products. Limited access areas accessible to only authorized personnel shall be established.

Secured products. Cannabis and Cannabis Products that are not used for display purposes or immediate sale will be stored in a secured and locked room, safe, or vault, and in a manner reasonably designed to prevent diversion, theft, and loss.

Sale and display of cannabis paraphernalia. The Black Elm Group LLC will not sell or display any cannabis related paraphernalia or any implement that may be used to administer Cannabis or Cannabis Products unless specifically described and authorized in the Conditional Use Permit. The sale of such products must comply with the City's zoning code and any other applicable state regulations.

Onsite physician restriction. The Black Elm Group LLC will not have an on-site or on - staff physician to evaluate patients and provide a recommendation for Cannabis.

Site management. The Black Elm Group LLC will take reasonable steps to discourage and correct objectionable conditions that constitute a nuisance in parking areas, sidewalks, alleys and areas surrounding the premises and adjacent properties during business hours if directly related to the patrons of the subject retailer. For purposes of this subsection, " Reasonable steps" shall include calling the police in a timely manner; and requesting those engaging in nuisance activities to cease those activities, unless personal safety would be threatened in making the request.

Advertising and signs. The Black Elm Group LLC will not advertise or market cannabis or cannabis products on an advertising sign within 1, 000 feet of a day care center, school providing instruction in kindergarten or any grades 1 through 12, playground, or youth center.

Display of permit. The Black Elm Group LLC will maintain a copy of its permit on display during business hours and in a conspicuous place so that the same may be readily seen by all persons entering the facility.

Again, we would like to thank you for the opportunity to provide a response to these items. Hopefully you will find that the plan we have in place will exceed the expectations of the planning department.

Sincerely,

Brian Dombrowski

TEP Engineering Mechanical Engineers

June 15, 2018

City of Santa Rosa
JUN 19 2018
Planning & Economic Development Department

Re:
Brandy Moulton
Black Elm, 374 Yolanda Ave,
Santa Rosa, CA 95404
Cannabis Cultivation, Manufacturing, Distribution and Retail
City of Santa Rosa –
Conditional Use Permit Application

As required by the City of Santa Rosa's Cannabis – Conditional Use Permit Application, the Owner has hired TEP Engineering to address three items regarding HVAC filtration and noise. These three items are "Storage of Cannabis Products/Inventory", "Odor Control – Engineering Controls" and "Noise".

Dual EHS Permitting - Storage of Cannabis Products/Inventory

The project as proposed shall comply with the City of Santa Rosa's storage of cannabis products/inventory standards set forth in Zoning Code Chapter 20-46. Brandy Moulton will store and display packaged edible cannabis goods in spaces that have temperature and humidity controlled heating, ventilation and air conditioning (HVAC) systems. The outside and recirculated air for these HVAC systems will include filters that mitigate environmental contaminants such as smoke and dust. These filtration systems must be specified and sized properly by a Professional Mechanical Engineer and maintained by the Owner per the manufacturer's instructions. The area in which edible medical cannabis goods are stored also may not be exposed to direct sunlight.

Odor Control – "Engineering Controls"

The project as proposed shall comply with the City of Santa Rosa's odor mitigation standards set forth in Zoning Code Chapter 20-46. The industry accepted method to remove cannabis odors for exhaust airstreams is carbon filtration. Brandy Moulton will install activated carbon filter canisters or inline filters on their exhaust systems serving spaces at risk for emitting cannabis odors. Brandy Moulton will also install activated carbon inline filters on their recirculating air systems serving spaces at risk for emitting cannabis odors. These carbon filters are designed for the control of VOC's, odors and other gaseous contaminants. The spaces at risk for emitting cannabis odors are noted on the odor-control floor plan provided by Brandy Moulton; these spaces include the Dispensary, Distribution, Manufacturing, Trim, Dry and Cultivation. The exhaust and recirculated air for these spaces will pass through an activated carbon filter, which uses chemical adsorption to remove organic compounds from the airstream. These organic compounds carrying the cannabis odor are captured through a process of adsorption in the microporous carbon. The activated carbon filtration systems must be sized properly by a Professional Mechanical Engineer and maintained by the Owner per the manufacturer's instructions. Suitable activated carbon filters manufacturers include: Camfil, Can-Filters Canada, Purafil or approved equivalent by a Professional Engineer.

Noise

HVAC equipment shall comply with the City of Santa Rosa's Chapter 17-16 (Noise) requirements. These HVAC systems must be specified and sized properly by a Professional Mechanical Engineer and maintained by the Owner per the manufacturer's instructions.

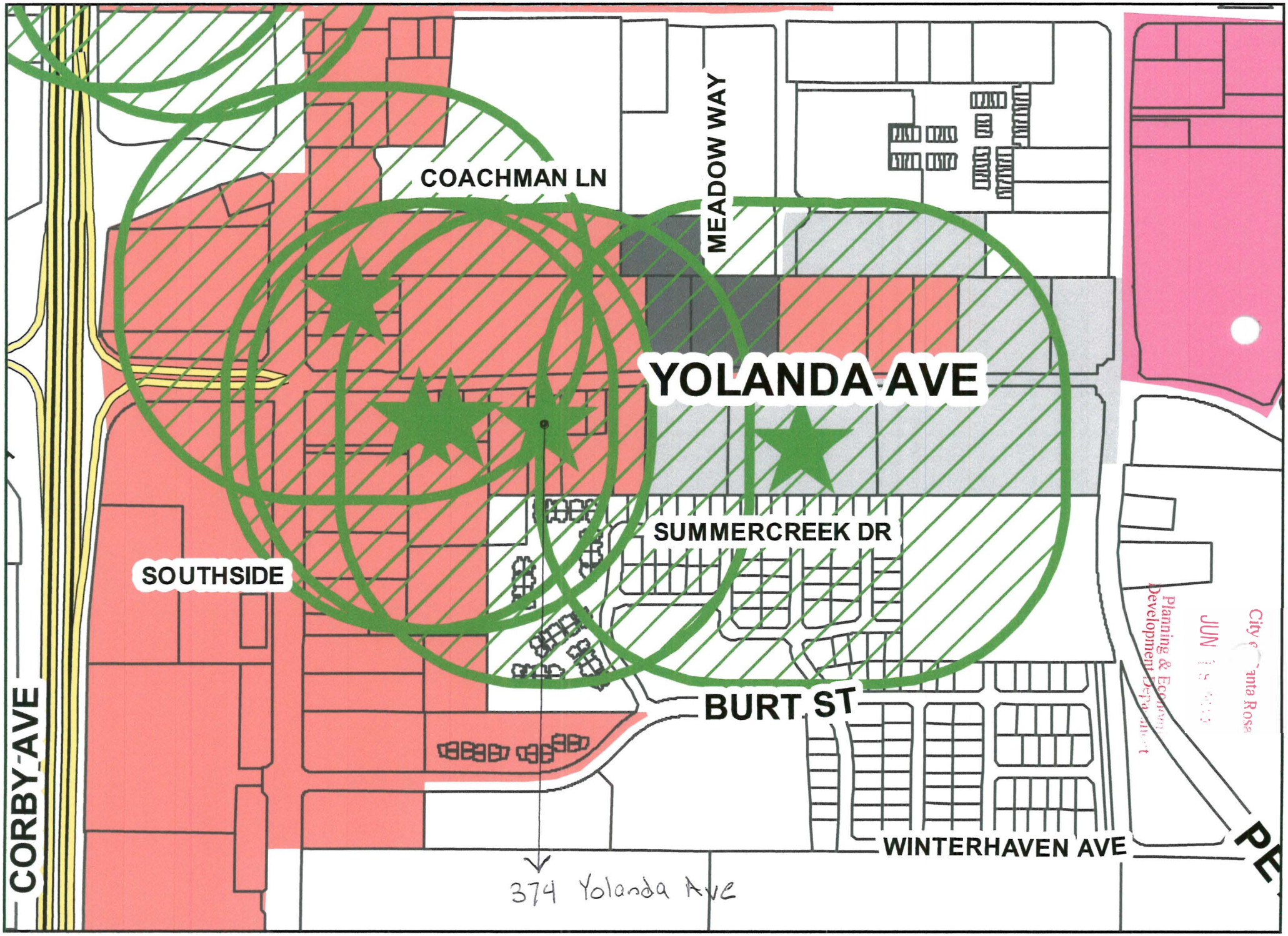
Sincerely,

Andy Souza

TEP Engineering
Andrew Souza, P.E., CPD, GPD, LEED AP BD+C

REGISTERED PROFESSIONAL ENGINEER
ANDREW D SOUZA
M37587
Exp. Date 09-30-19
MECHANICAL
STATE OF CALIFORNIA

880 Second Street • Santa Rosa, CA 95404-4610 • 707-538-0400 • 707-538-0406 fax


COACHMAN LN
MEADOW WAY
YOLANDA AVE
SUMMERCREEK DR
SOUTHSIDE
BURT ST
CORBY AVE
WINTERHAVEN AVE
374 Yolanda Ave
City of Santa Rosa
JUN
Planning & Economic Development Department

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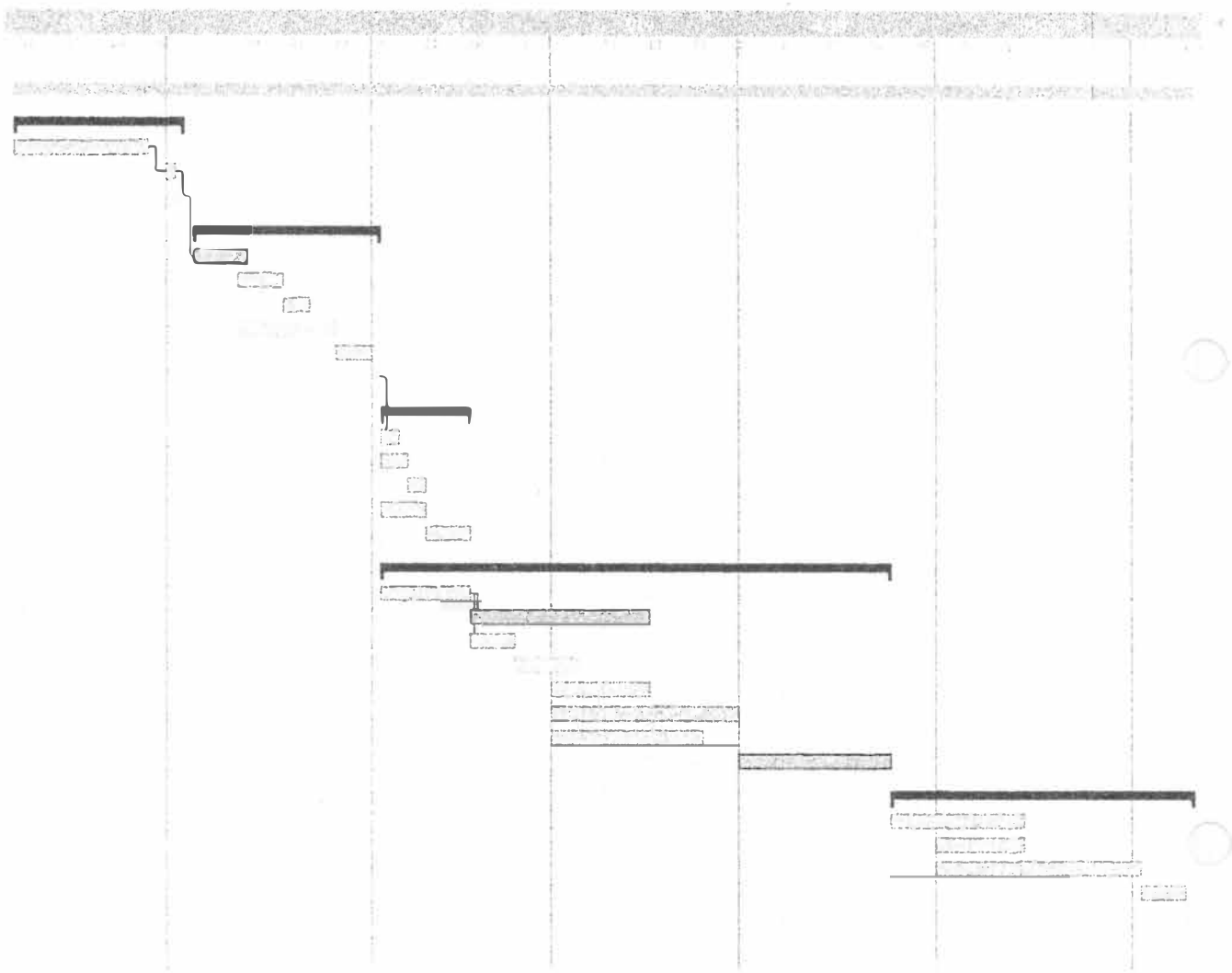
Development Department

Dispensary

	start	end
Permitting	**12/07/18**	**01/02/19**
Display public notice	12/07	12/27
CUP Hearing	01/01	01/01
CUP Approval	01/02	01/02
Planning	**01/04/19**	**02/01/19**
Review Engineering / RESA Petaluma	01/04	01/11
Structural Review	01/11	01/17
Mechanical Systems Review	01/18	01/22
Electrical Review Submissions / PG&E	01/11	01/25
Submit Building Plans	01/28	01/31
Building Plans Approved	02/01	02/01
Contractor Bids	**02/04/19**	**02/15/19**
Interior Remodel	02/04	02/05
Exterior	02/04	02/06
Security	02/07	02/08
Pavement Lighting / Landscaping	02/04	02/08
Finalize Bids	02/11	02/15
Construction	**02/04/19**	**04/23/19**
Material Procurement	02/04	02/15
Interior Construction	02/18	03/15
Demo Inside	02/18	02/22
HVAC Installation	02/25	03/05
Showroom Installations	03/01	03/15
Security Systems Installations	03/01	03/29
Facade Construction	03/01	03/25
Fire And Building Inspections	04/01	04/23
Operations	**04/24/19**	**06/10/19**
Security Systems Testing	04/24	05/14
Employee Screening And Training	05/01	05/14
Product Acquisition	05/01	05/31
Soft Launch	06/03	06/07
Grand Opening	06/10	06/10



PROJECT NARRATIVE

Black Elm Group LLC proposes to operate a Commercial Cannabis Micro-Business within the site at 374 Yolanda Ave, in the City of Santa Rosa. The proposed site is zoned IL.

We have vertically integrated experience in the cannabis industry. Since opening our retail location in Fort Bragg Mendocino 18 months ago we have increased our monthly gross income by over 400%. We have captured a large market share by reading the evolving needs of the market and adapting to it with high quality product at a lower price. Being vertically integrated as a micro business allows us to be more competitive as we can be self sufficient "from soil to oil."

We will create a cannabis microbusiness that will provide an unparalleled shopping experience in Santa Rosa, California. We would like to grow along with the city of Santa Rosa and hope to add value to our community with every decision we make. Our locally hired staff will navigate and guide our community through our vast product variety featuring locally sourced products along with our core line of the highest quality cannabis flowers, concentrates, edibles and more. We are organized as a Limited Liability Company (LLC) and will be donating to our local non-profits.

Aside from the dispensing of cannabis flower and concentrates, we will sell a wide range of additional medicinal and recreational Cannabis Infused products such as edibles and topicals. We will ensure that all our customers are given first class treatment whenever they visit us. We will have one-on-one relationships with our neighbors and customers no matter how large our consumer base grows. We will ensure that we get our customers involved with our team to select products that are right for them and educate them on responsible storage, consumption and disposal practices.

We will provide high quality cannabis to customers with a product and service they can trust. We will build our brand on the core values of customer service and care and partner with smaller farms and help to promote their brands. We plan to grow our business and remain a partner with the City of Santa Rosa for many years to come.

Our entire facility is approximately 10,000 square feet, and the division of space is as follows:

Retail: A waiting room will occupy approximately 300 square feet. Retail Space will occupy approximately 459 square feet, with large well-lit display cabinets. Office, employee, and administration space will occupy approximately 153 square feet.

Cultivation: Cultivation Space will occupy approximately 4629 square feet. Trim area will occupy approximately 597 square feet. Drying area will occupy approximately 596 square feet. Circulation space will occupy approximately 838 square feet.

Manufacturing: Manufacturing Space will occupy approximately 733 square feet; Employee and vestibule space will occupy approximately 192 square feet.

Distribution: Distribution Space will occupy approximately 771 square feet; Storage space will occupy approximately 87 square feet. Office space will occupy approximately 70 square feet.

Our project will include activities permitted by a Cannabis Micro-Business State License. Our new business planned for 374 Yolanda Ave, in Santa Rosa will offer a unique combination of storefront retail, delivery, cultivation, manufacturing, and distribution. Customers will be able to shop in store and then have the products delivered under the state regulatory system including but not limited to travel manifest compliance, on a preapproved, weekly or monthly basis. Committed to serving the needs of the community, and dedicated ensuring the safety of operations by securing the safety of its members employees, and neighbors in the most effective way possible. We will work diligently to provide unmatched service to each person that walks through our doors and ensure that a sense of community is built within our neighborhood.

MERIT BASED REVIEW

LOCAL AND STATE COMPLIANCE

The company will follow Cal. Code Regs. tit. 16 § 5410 & 5411 pertaining to allowing returns of purchased cannabis and giving away free under certain restrictions. Applicant will package or label cannabis goods and not accept, possess or sell cannabis goods that are not packaged as they will be sold at final sale. Cannabis goods purchased at applicants site by a customer shall not leave the retailer's premises unless goods are placed in an opaque exit package. Applicant will not have on-site or on-staff physician to evaluate patients and provide a recommendation for Cannabis. In addition to the retail operations established in this section, the consumption of Cannabis and Cannabis Products on-site shall not be permitted by patients or customers.

Dual State Licensing

The company, prior to occupancy, will apply for and receive a microbusiness license from the Bureau of Cannabis Control. Additionally, all software and staff training to comply with the Track and Trace system regulated by the California Department of Food and Agriculture will implemented with ongoing training occurring to ensure up to date knowledge of the staff.

Dual EHS Permitting

To achieve the required dual licensing with the Environmental Health Service (EHS) Department, The company will apply for and not begin operations until receiving a permit from EHS. To ensure the project is compliant with EHS requirements, these specific features and procedure will be included in the project:

Menu for Edible Cannabis Products offered for sale at the dispensary: A list of all edible cannabis products will be maintained and submitted to EHS as part of the application process. Should new items be added, EHS will be notified prior to the new product being offered in a manner and timeline that meets any requirements EHS places on the permit.

EHS is requiring toilet facilities that are employee accessible. As such, the project is proposing to improve the existing facilities to meet American with Disabilities Act requirements and will submit plans to EHS showing these improvements when the application is submitted.

EHS is requiring the flooring in areas where cannabis products are stored and in toilet facilities to be smooth, non-permeable and easily cleanable. As such this project will use approved products for flooring in toilet facilities as well as for flooring in the cannabis storage areas

EHS is requiring a sink dedicated for handwashing with hot and cold water and equipped with mounted soap and a towel dispenser which is easily accessible to employees. A designated hand wash sink will be located within the facility.

SITE MANAGEMENT

CEO
Laura Jacobs

CFO
Brandy Moulton

COO
Scott Zeramby
Scott Zeramby is a well-known and highly regarded consultant to the cannabis industry with more than 30 years of direct experience working with cannabis producers and product manufacturers helping them to design facilities, develop markets and achieve efficiency while maintaining predictably high-quality product standards.

In 2003, Scott founded a retail store, Dirt Cheap Landscape Supply in Fort Bragg, California with a mission to provide organic planting media, fertilizers and hydroponic equipment. Dirt Cheap achieved success in a highly competitive market and still continues to provide products and services to the rapidly expanding cannabis gardening community.

In 2004 Scott launched “Mendo Organics” a Mendocino based company with a mission to develop and produce sustainably manufactured potting media & fertilizers. Within the first two years of launching Mendo Organics, Scott negotiated an agreement to supply

organic potting media and related products to American Agritech/Botanicare, thereby enabling Botanicare to achieve the goal of entering the retail potting soil market.

With Scott's products and guidance, Botanicare was able to be quickly established as a leading potting soil producer. In 2007, Scott assisted Botanicare in developing Organicare, a complete line of organically produced plant nutrients primarily directed to cannabis producers.

In 2010, Scott created Mendocino Agricultural Products (MAP) a diversified manufacturer of planting media and fertilizers. MAP also provides consulting services to the greater horticulture industry. Scott is the Chief Executive Officer and the Blender/Formulator overseeing all aspects of MAP's production from inception to market.

Scott has proven experience managing businesses and employees, developing budgets, creating marketing plans, directly overseeing manufacturing, writing operational procedures, as well as directing and consulting with numerous other producers of crops and products helping them to reduce their operational costs, maintaining quality standards and meeting production goals.

In 2013, Scott was hired by IESO, a commercial scale Illinois based Medical Cannabis production facility, lead by Thom Jennings, the former head of the Dept. of Ag for the state of Illinois. Scott worked directly with their team of professionals to create IESO's horticultural plan and assisted in mapping the facilities layout and workflow. He also designed IESO's state-of-the-art water recycling system helping them order to reduce their water usage by up to 75%.

Scott provided design and equipment specifications for the supplemental lighting for 26,000 square feet of greenhouses and the primary lighting used in IESO's indoor propagation and production rooms. Scott advised their Chief Scientific Officer during the design of IESO's Tissue Culture operation as well as the quality control protocol of their oil extraction facility. Scott worked closely with IESO's horticulturists in developing a customized planting media and fertilizer program designed to address the challenges of a cannabis production facility located in their unique geographic location.

Scott's academic accomplishments include partnering with Nobel Laureate, Dr. Evan Mills, quantifying the of energy used to produce indoor cannabis and subsequent carbon footprint. The result was the first ever peer-reviewed study of its kind, "Energy Up in Smoke: The Carbon Footprint of Indoor Cannabis Production". The study has achieved worldwide recognition and it has been featured in hundreds of newspapers and radio articles, including the New York Times, The Wall Street Journal, Bloomberg View, MSNBC and KCBS. The work has been translated into dozens of languages and distributed worldwide and continues to be used as a resource for shaping public policy and bringing awareness to the unintended, energy related consequences of industrial scale indoor cannabis production.

Scott has spoken as Subject Matter Expert at the National Cannabis Industry Associations Investors Forum, Cannacon, the Emerald Cup, The Santa Cruz Cup, the Cali Dep-Fest. He has also been a featured guest speaker at the Shatz Energy Research Center, the Sonoma County Grower's Alliance Energy and Light Considerations workshop, The 2018 Direct to Consumer Wine Symposium as well as international radio programs and podcasts.

LOCAL AND STATE COMPLIANCE TEAM/CONSULTANTS

E.D. Lerman esq.

E. D. Lerman was born and raised in New York and attended Brooklyn Law School. She got got her undergraduate degree in Philosophy with a minor in anthropology from Smith College and has been practicing Law in California since 2006. Opening her first office in the town of Mendocino, she now has two offices in Ukiah and Santa Rosa, California. Her passion is to educate and work with industry entrepreneurs, particularly helping them achieve their seemingly impossible dream. With an emphasis on educating producers to accomplish compliance, she prepares them to go from the mountain to the boardroom. Nowadays she uses this focus, and her past litigation experience, in her desire to bridge the gap between the industry and the regulators. Both sides need education, and Edie loves to help people learn. She has tried and won every medical cannabis case she has taken to trial. She continues to represent many patients, cultivators, dispensaries, doctors, distributors and those looking to learn about and or deal with regulation in this ever changing industry.

John Chigbu Esq.

John Chigbu is the founder and Managing Partner of Chigbu & Co, LLP, a law firm based in San Francisco, California USA. Chigbu & Co, LLP was founded in 2006 as a business law firm specializing in international and domestic corporate taxation. John has over 18 years combined international business and tax experience.

Prior to founding Chigbu & Co, John was the Global Vice President of Tax and Treasury for Sanmina-SCI Corporation, a $12 billion multinational electronic manufacturer. Before that, he was the General Tax Counsel and VP for Business Objects SA, a $5 billion French software company headquartered in Paris, France.

John was also an International Tax Counsel for Chevron Corporation from 1994 to 1999. In this capacity, he structured some of the most visible and lucrative deals for Chevron in Nigeria (the West African pipeline); in Kazakhstan (the Lukoil, Chevron and Mobil joint venture); and in the US, the Chevron Environmental Liability Corporation, which consolidated Chevron's environmental clean-up operations and saved Chevron millions in fees and taxes. Prior to Chevron, John worked for the Big Four accounting firm of KPMG in New York City and San Francisco where he was a Tax Manager in their Financial Services line of business.

John was educated in London School of Economics, University of Texas, Louisiana State University Law Center and New York University School of Law. He holds a

combined Bachelors (BA) degree in Economics and Political Science, Juris Doctor (JD) degree and a Master at Law degree in Taxation (LLM). He is admitted to practice law in the States of California and New York.
John was a flight Pilot in the Nigerian Military Police before beginning the study of law.

Pacific Expeditors
Brian Dombrowski
Brian Dombrowski has over 12 years of consulting experience in the cannabis industry. He has worked with high profile businesses across the United States and has extensive experience in the management of cultivation sites and dispensary operations. He has held the position of President of a medical marijuana dispensary and has assisted others in multiple states in their permit process. Prior to entering the cannabis space, Brian worked for Fortune 10 companies, which gave him a comprehensive background in leading all aspects of business operations including P&L, merchandising, sales, customer service, inventory, human resources, security, and payroll management. Before that, Brian served in the United States Navy where he received two Letters of Appreciation from his Commanding Officers, was awarded Sailor of the Quarter three times, and volunteered with Habitat for Humanity. He has held the position of Director for three Sonoma County Veterans Memorial Buildings, commanded an American Legion Post, is involved with AmVets, The United Veterans Council, and his local Chamber of Commerce.

Business Plan
The company will implement a business plan that includes day-to-day operations and how cannabis will be monitored to prevent diversion.

Management Plan Training
All staff will receive thorough training on workplace safety, operations, track and trace, and security protocols. In addition to state licensing requirements related to staffing, The company will diligently follow all applicable labor and employment laws. The employees will likely be part- and fulltime and will work staggered shifts to accommodate customer flows. All employees hired by The company will be over 21 years of age. The company is committed to hiring employees locally. Sonoma County and Santa Rosa have a wealth of experienced and dedicated cannabis workforce. The company plans to consider residency when making hiring decisions, will promote the job posting locally, and will use local connections in the cannabis industry to discover new local talent.

Staff Training on Security Procedures

We will actively engage staff in preventing unauthorized entrance into areas containing cannabis and theft of cannabis products at the dispensary. We will ensure that staff is trained in emergency procedures to protect both personal and customer safety.

The General Manager will create educational training for staff on the dispensary's security procedures. It will include restricting entry into the dispensing area to adult use

customers, qualified patients and caregivers, and restricting entry to the staff-only areas to staff. The GM will create educational materials and training for staff on the dispensary's emergency procedures. The topics included are the use of alarms and panic buttons and the evacuation of staff and customers.

Use of Alarms and Panic Buttons

We will ensure that the dispensary is properly monitored for unauthorized entrance, theft, fire, or other emergencies. We will be Installing and maintaining an alarm system and panic buttons. The GM is responsible for the maintenance and operation of the building's centrally monitored fire- and burglar-alarm system, for following local, state, and federal laws, and securing the necessary permits. The GM will contract with an alarm monitoring service that is properly licensed by the State of California Department of Consumer Affairs Bureau of Security and Investigative Services, in accordance with California Business and Professions Code Section 7590 et seq., and whose agents are properly licensed and registered.The GM will set the alarm nightly upon closing and disabling the burglar alarm upon opening. The GM will regularly test and maintain the alarm system, following the manufacturers' specifications and local, state and federal laws.

Use of Security Cameras

We will ensure the proper monitoring of the dispensary building and parking lot against unauthorized entrance or theft. The GM is responsible for supervising the maintenance and operation of the security cameras. The GM will ensure that the security tapes are stored in a secure location for ninety (90) days, and that the system is accessible remotely. The GM will regularly test and maintain these cameras, following the manufacturer's specifications and local, state and federal laws.

Supervision of a Detailed Security Plan

We will ensure the proper monitoring of the dispensary facility and the proper training of staff and Security personnel to guard against unauthorized entrance, theft, and other emergencies. The GM will implement a detailed security plan including the following:

The use and maintenance of outdoor lighting; 24-hour deployment of security company personnel; A detailed description of duties, including the coordination with dispensary management, neighbors, and the local police department; The use, maintenance, and monitoring of alarms, panic buttons, and security cameras; 90-day storage of security camera footage; Maintenance and deployment of walkie-talkies; Procedures for verifying a patient or caregiver's doctor's recommendations or state-issued identification (ID) cards and for ensuring that those documents are up-to-date; Training on counting money and dispensing products so that those operations are observed and recorded by security cameras and managers; Implementation and maintenance of a track-and-trace program that records the movement of cannabis and cannabis products throughout the

dispensary in such a way that records can be made available to government officials upon request

Maintenance and Testing of Security and Fire-Safety Systems

We will ensure all life-safety equipment is regularly tested, is in working order, and is compliant with local, state, and federal laws.

Window, Door, and Perimeter Checks

We will create a safe environment for dispensary staff and ensure all cannabis products are secure. The GM is responsible for implementing a morning and evening security-check policy. All external doors and windows should be checked every morning and evening, and all security functions, such as the gate and lighting, must remain in working order. The GM will implement and supervise this policy.

Daily implementation of the external security checks

Each evening upon closing the GM will ensure that all external doors and windows are locked. If a door or window lock is found to be broken, the senior staff on duty should call a 24-hour repair service and stay at the facility to manage the repair.

Each morning before staff enters the facility the GM will patrol outside dispensary, ensuring that no intruders entered through the doors or windows while the business was closed. If there are signs of breaking and entering the GM should immediately notify the police, and staff should wait for their arrival before entering the facility. Immediately after notifying the police, staff should notify the CEO and COO, and one of the two should go

Loitering—Inside and Out

We will prevent nuisance and crime, both inside and outside the facility. The GM will implement policies, including training Security to prevent, intercept, and solve any loitering problems. The GM will create a reporting program to track any customers who linger at or around the facility, creating nuisance and security risks. Any staff who sees a repeat loiterer should report this person using the tracking system. Too many episodes of this, or just one particularly bad episode, could lead to a customer being banned from accessing the facility and services.

Staff must record all internal loitering issues, report them to the COO, and track them on the customer's digital records. Repeat violations will result in denial of services, which will be issued at the discretion of the COO.

NEIGHBORHOOD COMPATIBILITY

The location provides an ideal setting for this type of land-use. This project will feature an understated storefront with no advertising that will ensure neighborhood integration and minimize disruptions. Pursuant to Health and Safety Code Section 11362.768 and Santa Rosa Ord. No. ORD -2017-025 the site is set back over 600 feet from any K-12

employed by the retailer as well as any outside vendors, contractors, or other individuals conducting business that requires access to the limited access area. Black Elm Group LLC's employees shall be physically present in the retail area at all times when individuals who are not employees of the retailer are in the retail area. An individual in the retailer limited-access area who is not employed by the retailer will be escorted by Black Elm Group LLC's employees at all times within the retailer limited-access area. Black Elm Group LLC will keep a log of all authorized individuals who are not employees that enter the limited access are and will not receive consideration or compensation for permitting an individual to enter the retailer limited-access area.

SECURITY SURVEILLANCE SYSTEM

Black Elm Group LLC will provide a comprehensive surveillance system. All cameras will be located strategically throughout the facility and will have resolution to adequately capture images of people and movement throughout Black Elm Group LLC. The extensive surveillance system will be run and monitored by an outside agency. There will be a computer and access center onsite with a video printer to allow local control and to produce a clear still photo from any live or recorded video on demand to provide to law enforcement, in the event of a security breach.

The video surveillance system is configured to allow for the exporting of still images in a variety of standard formats like .jpg or .bmp so that they can be digitally transferred. Digital images will also have data protection that prevents digital alteration and allows for a date/time stamp of both the image and the file creation to be authenticated. Video or still images exported from the system can be viewed on any standard computer operating system, such as Windows or Mac. The onsite system will be located in a secure office area that only the GM and security personnel will be able to access. The images from all cameras will have a date/time stamp to allow verification of video integrity during the life of Black Elm Group LLC.

ELECTRONIC SECURITY SYSTEM

In addition to the surveillance system, Black Elm Group LLC will implement a comprehensive electronic security system, including third party monitoring of all surveillance and alarms, intrusion detection electronic alarms, and panic/duress buttons at strategic locations within the facility. The intrusion detection system will use appropriate methods (such as pressure sensitivity, lasers, etc.) to determine if any entrance, exit, or window has been breached without authorization. The duress and panic buttons will be placed in several locations throughout the building.

FAILURE NOTIFICATION SYSTEM

The security system will include a failure notification system to provide an audible, visual and text notification of any failure in the surveillance or alarm system. The audible and visual notifications will be onsite at the equipment monitoring station. A text alert will go out to designated associates within five minutes after the failure, including the Principal Officers, General Manager (GM), and any shift leaders. These notifications will

be in both text message and email form. The message will include the time of failure, type of failure, cause of failure (if identified), extent of systems malfunctioning, and contact information for the security company.

ELECTRICAL BACKUP SYSTEMS

Black Elm Group LLC will use a battery with sufficient power to supply a minimum of twenty (20) minutes of backup power to video cameras, alarms, sensors, panic buttons and computers in the event of a total power outage. This power backup system will deter theft or diversion by individuals who want to create or take advantage of a power outage.

SURVEILLANCE RECORDING ACCESS CONTROLS

Only authorized security and appropriate management personnel will be allowed to access the surveillance monitoring and recording area. This secured area contains a terminal at which all of the security devices in the facility can be monitored and adjusted, and the surveillance archive can be viewed and printed. The terminal will be in an isolated area with a locked door that only the Principal Officers, GM, and Security Agents will have access to. Law Enforcement and the City of Santa Rosa will be provided access by authorized personnel, upon request and verification of appropriate organization credentials.

STATE LICENSE

A copy of issued State License will be displayed per state regulations.

DELIVERY

Black Elm Group LLC plans to deliver Cannabis and Cannabis Products to patients located outside the Cannabis Retail facility in Sonoma County pursuant to Cal. Code Regs. tit. 16 § 5415 and City of Santa Rosa Ord. No. ORD -2017-025 Chapter 20 § 46.080 (B)). All deliveries of cannabis goods will be performed by a delivery employee (over the age of 21) of a retailer in a new model hybrid vehicle, as to minimize noise and pollution from delivery operations. All deliveries of cannabis goods shall be made in between the operating hours of 9am-9pm and will not be made using an unmanned vehicle. Employees delivering cannabis will carry a copy of the retailer's current license, the employee's government-issued identification, and an identification badge provided by the employer. Black Elm Group LLC will maintain an accurate list of the retailer's delivery employees. Delivery will only be offered to a physical address in a jurisdiction where such delivery is permitted, not to an address located on publicly owned land or any address on land or in a building leased by a public agency. Delivery employees, carrying cannabis goods for delivery, shall only travel in an enclosed motor vehicle operated by a delivery employee of the licensee and ensure the cannabis goods are not visible to the public.

The vehicle(s) used for the delivery of cannabis goods will be outfitted with a dedicated Global Positioning System (GPS) device for identifying the geographic location of the delivery vehicle. The device shall be either permanently or temporarily affixed to the

A document issued by a federal, state, county, or municipal government, or a political subdivision or agency thereof, including, but not limited to, a valid motor vehicle operator's license, that contains the name, date of birth, physical description, and picture of the person;

A valid identification card issued to a member of the Armed Forces that includes a date of birth and a picture of the person; or

A valid passport issued by the United States or by a foreign government that clearly indicates the age or birthdate of the individual.

ACCESS CONTROLS

Black Elm Group LLC will provide and install a variety of security devices to ensure that only authorized personnel have access to any location where cannabis is stored, so that employees are safe and secure inside Black Elm Group LLC. All access points from outside of the facility will have both locks and alarms. All perimeter windows and hatches will remain closed and locked with tamper-proof security devices. They will be equipped with perimeter alarms that will sound if there is any breach of these apparatuses. All external doors will require two (2) levels of security verification to open—something known and something held. This security process means that employees will need a key along with a unique access code to unlock the front as well as back external doors. In the event of any theft or loss of cannabis, these devices will also provide a security log of who accessed the doors for any ensuing investigations.

All doors will also be equipped with an alarm that will sound if they are opened without code and key or if they are damaged. Arming and disarming the security system will require an access code. Both the entry alarm and surveillance alarm will notify the monitoring service if a failure is detected in the system, which will be corrected as soon as possible. If the failure prevents security systems from operating, the facility will take additional security measures until it is fixed.

Alarm systems can also be triggered if an employee presses a panic or duress button. These buttons will be installed in strategic locations only accessible to employees. The panic button should be pressed if there is a theft or breach and the employee or other people would be placed in danger by a loud alarm. The duress button will still notify authorities like a typical alarm, but not make a sound on-site. These security devices will allow employees who are threatened to signal an alarm without escalating the situation.

Access to Retail Area will be limited pursuant to Cal. Code Regs. tit. 16 § 5400 & Santa Rosa, Cal., ORD-2017-25, Chapter 20 § 46.050(B). Access to the retail area will be limited to individuals who are at least 21 years of age and have a bona fide business reason for entering the premises or to individuals who are at least 18 years of age and have a valid physician's recommendation. Authorized individuals include individuals

delivery vehicle and shall remain active and inside of the delivery vehicle at all times during delivery. At all times, the retailer shall be able to identify the geographic location of all delivery vehicles that are making deliveries for the retailer and shall provide that information to the City or Bureau of Cannabis Control upon request. Upon request by an authorized agent, the retailer will provide information regarding any motor vehicles used for the delivery of cannabis goods, including the vehicle's make, model, color, Vehicle Identification Number, license plate number and Department of Motor Vehicles registration. While making deliveries, Black Elm Group LLC's delivery employee shall not carry cannabis goods worth in excess of $3,000 at any time. This value shall be determined using the current retail price of all cannabis goods. While in transport, all cannabis goods will be enclosed in a locked container.

The delivery service will have a menu available on their website, and existing customers can either place their orders over the phone or online. In order to set up a delivery, a photo or scan of the customer's Government issued ID will be submitted prior to the ordering process. The customer will send over all necessary information and will have a profile created within the point of sale system. The order will go into the system and be pulled by an employee at the retail facility. Once the order is filled it will be placed in an exit bag with a receipt affixed to the bag. The receipt will include: the name of the customer, their assigned ID number, delivery address, description of the cannabis items, total amount paid by the customer including all taxes, name and address of the facility making the delivery, the name and ID number of the employee making the delivery, and the name and ID number of the employee who prepared the delivery. The driver will retain an additional copy of the receipt to be signed by the customer upon receipt of the delivery. There will be space provided to have the date and time written in of when the delivery was made.

While making deliveries of cannabis goods, Black Elm Group LLC's employee shall only travel from the licensed premises to the delivery address; from one delivery address to another delivery address; or from a delivery address back to Black Elm Group LLC's licensed premises. Black Elm Group LLC's delivery employee will not deviate from the delivery paths described in this section, except for necessary rest, fuel, or vehicle repair stops, or because road conditions make continued use of the route unsafe, impossible, or impracticable.

ON-SITE CONSUMPTION:

No on-site Consumption activities proposed. Signs that clearly state that on-site consumption is not tolerated will be posted throughout the facility, Staff will regularly monitor the area surrounding the premises to ensure that consumption is not occurring, and on-site consumption in violation of these rules will result in removal of the customer's ability to purchase future products from 3094, LLC.

school. This site is discrete yet has plenty of square foot and dedicated parking to service customers without creating an impact on other business or traffic flow in the neighborhood.

The proposed facility is well-suited to house operations. The building will be upgraded where necessary to meet ADA compliance standards for persons with disabilities. The existing entrance is visible and there is no existing landscape or adjacent structure that would impact visibility, lighting, or security requirements sent set forth in Santa Rosa Ordinance No. Ord -2017- 025.

Stability and Quality of Surrounding Neighborhood
The new operation will offer a unique combination of cultivation, manufacturing, distribution, and retail and delivery as customers will be able to shop in store and then have the products delivered on a weekly or monthly basis. The company will work diligently to provide service to each person that walks through their doors and ensure that a sense of community is built within their customer base and neighborhood.

Odor Control Measures
The company shall incorporate and maintain adequate odor control measures such that the odors of Cannabis cannot be detected from outside of the structure in which the Business operates. Operational processes and maintenance plan, including activities undertaken to ensure the odor mitigation system will be kept up to date and functional. This will include staff training procedures and engineering controls, which may include carbon filtration or other methods of air cleansing, and evidence that such controls are sufficient to effectively mitigate odors from all odor sources. All odor mitigation systems and plans submitted pursuant to this subsection shall be consistent with accepted and best available industry-specific technologies designed to effectively mitigate cannabis odors. (Santa Rosa, Cal., ORD-2017-25, Chapter 20 § 46.80 H)

Enhanced Experience
The Black Elm Group will create an enhanced retail experience with a well-designed site plan and use of quality materials in interior and exterior finishes.

Access to Public Transportation
Santa Rosa City Bus regularly services the area every 30-60 minutes depending on the time of day, with stops being located in either direction from the facility. The City of Santa Rosa offers next-day ADA paratransit transportation service in the area and provides rides and care to disabled persons. Smart services are located less than a mile away for access to and from Marin and Northern Santa Rosa.

NEIGHBORHOOD ENHANCEMENT
Community Benefits/Employment Opportunities
The company plans to cover its work schedule with full-time associates eligible for full benefits as much as possible. In addition, we are committed to hire local and stand together to improve the lives & livelihoods of workers, families, and our community.

Estimated Staffing Levels
The company estimates that there will be at least 20 associates. There will be up to 10 associates at peak operating hours. Shifts will be created to ensure that associates receive adequate breaks. The GM will be present five days a week and will be on call for emergencies. Shifts will be from 8am to 10pm. In addition, an outsourced security firm will provide a security guard 24/7.

Associate Acquisition
As a condition of employment, all potential associates must submit fingerprints to an approved Live Scan vendor and pass an electronic background check completed by the DOJ and FBI. We anticipate hiring individuals from the surrounding community and will market its hiring campaigns in order to accomplish this.

Associate Training and Education
All newly hired associates will receive training on all aspects of the business. Staff training will be ongoing, and will cover such topics as: safety awareness, emergency procedures, inventory control, cannabis strains and benefits, and any other job-specific requirements to ensure associates remain compliant with state and local regulations and have opportunities for ongoing professional success.

Weekly associate training sessions will be conducted, which will cover a review of all security and emergency procedures, compliance with state and local regulations, and address any training deficiencies or clarification needed. Associates will not be allowed to work without completing the necessary training. In addition to the company-mandated training, The Company strongly encourages all associates to study dispensing practices and to conduct background research on cannabis in order to fully immerse themselves in this industry. The Company encourages open communication about the industry and best practices.

LOCATION REQUIREMENT

Overconcentration
Black Elm Group LLC will be subject to overconcentration mediation. This plan will show how Black Elm Group LLC will occupy a location that is more compatible with the needs of the neighborhood than other applicants in the immediate 600 ft area.

Distance to schools
Black Elm Group LLC complies with all applicable provisions of the Zoning Code and the City Code. Black Elm Group LLC is not located within 600 feet of a school. “School” means any public or private school providing instruction in kindergarten or grades 1 to 12.

Storefront Entrance
Storefront entrance will be in a visible location with an unobstructed view from the public right of way [Section 20-46.080 (D)].

MEDICINAL/ADULT USE:
Proposed use is Medicinal (dispensary) and Adult Use (retail).

EMPLOYEE REGISTER
California employers must report all of their new or rehired employees who work in California to the New Employee Registry within 20 days of their start-of-work date, which is the first day of work. Any employee that is rehired after a separation of at least 60 consecutive days must also be reported within 20 days. Employers who report electronically must submit two files each month that are not less than 12 days and not more than 16 days apart. No report should be submitted if there are no new or rehired employees to report.

Required by law to report the following:
Employer's:

- California employer payroll tax account number
- Branch Code (complete only if employer was assigned a Branch Code number)
- Federal employer identification number
- Business name and address
- Contact person and phone number

Employee's:

- First name, middle initial, and last name.
- Social Security number
- Home address
- Start-of-work date

RECORDKEEPING
Black Elm Group LLC has a recordkeeping plan in place to maintain, update, and store records related to its operations for a minimum of seven years, as required by state law. The recordkeeping plan will allow Black Elm Group LLC to comply with the City of Santa Rosa audits and inspections.

Black Elm Group LLC will monitor and track inventory. Inventory will be monitored with a real-time, web-based inventory control system, which will track information for each piece of inventory from seed to sale or disposal.

The GM will implement and strictly oversee the real-time, web-based inventory control system, which will be accessible by the City of Santa Rosa 24 hours a day, seven days per week. This system will keep meticulous track of all cannabis onsite until the product is either purchased or Black Elm Group LLC transfers it to a licensed company for

destruction and disposal. All cannabis will be entered into the inventory system immediately with all identifying information. This includes the registration number of the agent making the entry, date/time, quantity or weight, strain, and batch number.

PATIENT ACCESS PROTOCOL

Patient Verification System

Black Elm Group LLC will use a Web-Based Patient Registration system to verify that a patient is properly registered. This verification will be checked twice: once before a patient is allowed into the dispensing room, and again when the patient is purchasing cannabis and cannabis products. The first check will ensure that only currently registered patients and caregivers are allowed into the dispensing room. The verification that occurs during the purchasing period will track the patient's purchases.

Purchases and Denials of Sale

Purchases will be recorded in Black Elm Group LLC's inventory tracking system. The system will document the date a Dispensing Associate makes a sale of cannabis or cannabis products, how much product was sold, the strain and which Associate sold the product. Associates will also document in the event a patient is denied the sale of cannabis. Documentation will include the date of the denial, the identity of the patient, the Associate who denied the sale, and the reason for the denial. Black Elm Group LLC anticipates that denials will typically occur when the product requested is not available. The GM will review denials of sale to confirm that the dispensary has an adequate supply to meet patient requests.

Confidentiality

Black Elm Group LLC's associates will be trained to meet California state regulations and HIPAA requirements regarding patient confidentiality. Black Elm Group LLC inventory information and all other records are subject to strict confidentiality requirements. Upon employment, associates are required to complete training and to sign a non-disclosure agreement. Associates who violate confidentiality or allow unqualified persons to view records will be terminated immediately.

ADULT USE ACCESS PROTOCOL

Individuals shall be granted access to the retail area only to purchase cannabis goods after the retailer or an employee of the retailer has verified that the individual is at least 21 years of age and has a valid proof of identification. Acceptable forms of identification include the following:

CULTIVATION OPERATION PROCEDURES

The Company operations will include a licensed cultivation area. The Company has developed rigorous strategies and methods to ensure that its cannabis products will be available on the market in the shortest timeframe possible, while still ensuring quality. We recognize that the foundation of future success for operations will be based on the quality and safety of our cannabis. All employees will be thoroughly trained in cultivation procedures to ensure a consistent, quality product.

- **The Vegetative Process**

The goal during the vegetative stage is to encourage rapid growth of the cannabis plants in order to create the height and structure necessary for flower production. The cannabis plant is naturally in this state during the spring/summer season when there is more light than darkness. Vegetation Division staff must maintain the lighting in the Vegetative Growth Area at eighteen (18) hours on, six (6) hours off, to mimic these conditions found in nature and induce the plant to continue to grow. Clone cuttings are planted in soilless medium and then placed in trays to grow into teen plants. During the vegetative stage, teen plants will be encouraged to grow rapidly until they reach approximately two (2) to three (3) feet high and have enough branches with potential flower sites to be successful in the flowering process. The Company has developed comprehensive procedures to manage the development of cannabis plants during this stage in their life cycle.

Teen plants will remain in vegetation until they grow into pre-flowering adults with a required height of two (2) to three (3) feet. This period of growth usually lasts approximately one (1) month. During this time, employees will maintain the plant utilizing the following cultivation practices designed to encourage vigorous growth:

Topping: Cutting the tops off of growing branches. The result is that the branch will split into two branches, thus increasing the total number of branches. This process can be replicated effectively doubling the amount of potential flowering sites optimizing overall yield.

Fimming: Similar to topping except that only a portion of a growing top is cut to force new growth below the damaged area. This causes the growth hormones in the plant to be forced downward resulting in three to four potential flowering sites to be produced.

Pruning: Required when the plant is one to two feet tall and continues throughout the entire cycle. All leaves and smaller branches on the lower region of the plant will be removed to promote upward growth by allowing the plant to utilize its energy toward growing the upper area that is more likely to produce the best flowers and receive the most light.

Bending: Encouraging the plant to bend toward a specific area of concentrated light that will allow maximum light penetration for other areas that are not receiving as much light. As the plant's top branch turns toward the light, it allows the light to illuminate other areas of the plant and creates more potential flowering sites that produce larger flowers.

Super Cropping: Bending a branch so it breaks but does not snap off, leaving most of the plant tissue on the stem together so that it holds firmly. This sends plant growth hormones down the branch below the break and causes other new flower sites to grow. The result produces a more optimized yield while letting other flower sites receive more light.

- **The Flowering Process**

The goal during the flowering stage is to produce the maximum amount of dense buds with as much medicinally active cannabis compounds as possible.

The Company will train employees to understand and implement the following flowering procedures:

1. Flowering Division staff must maintain the lighting in Flowering Pods at twelve (12) hours on, twelve (12) hours off, to mimic these conditions found in nature and induce the plant to produce flowers. The cannabis plant produces flower and THC-containing resin to attract pollen in order to reproduce and produce seeds and is naturally in this state during the fall season when there is about the same amount of light as darkness.

2. The tops of plants are weaved into netting to help keep them from falling over from their own weight as flowering plants will produce very large dense buds.

3. Branches will be intertwined into the screening to keep the plant in the proper position and maintain its proportions to the lighting above. During the first two (2) weeks of flowering, plants will grow quickly, usually doubling in size before the tops of the plant start to form flowers. At this stage, branches will still be growing but the plant will shift its focus towards forming flowers rather than new sets of leaves. You must closely monitor plant growth and adjust grow lighting to maintain a constant distance of two (2) to three (3) feet above the top of the plant canopy to avoid heat-related damage. V-Flow upward directional fans will be placed in the area directly above the plant canopy to help reduce ambient air temperature surrounding tops of plants by constantly and fully circulating the air in each pod..

- **The Cloning Process**

All employees involved in the cloning process will undergo thorough training. The cloning process employees will follow is:

1. Use a sterile and sharp instrument to cut the mother plant at potential flowering sites (internodes).

2. When a cutting is taken, there will be at least two or more leaves present on the resultant branch to maximize the success of the potential clone.

3. Once the cutting is taken, place the stem in water immediately to prevent an air bubble from forming in the stem.

4. After a cutting has been produced, scrape the cambium layer at the bottom of the cut stem to provide more surface area for roots to grow.

5. After scraping the cambium layer, cut the two sets of leaves on the cutting in half to reduce the rate of transpiration while roots are forming.

6. Dip the prepared cutting in a rooting hormone gel that has the necessary nutrients and hormones to encourage root growth.

7. Place the cutting into the cloning machine. The cloning machine is designed to create the ideal environment for root production with spray jets misting water and nutrients at the base of the stem where roots are produced.

- **Harvesting**

All employees involved in the harvesting process will undergo thorough training. A general outline of harvesting duties is detailed as follows:

1. Staff will cut flowering plants ready to be harvested from their main branch and hang them upside down on racks to dry out excess water weight.

2. Staff will place each plant at least three (3) feet above the ground and separated by a few inches. In this position, plants will be left to complete the drying process, which typically takes approximately one (1) to two (2) weeks before the cannabis flowers are ready to be trimmed.

3. When the texture of the plants is dry and feels crisp, they are ready to be moved to the trimming room for trimming procedures as further detailed in the next section.

- **Trimming**

Staff will be thoroughly trained in trimming procedures, which are outlined generally as follows:

1. Trimming staff will complete the plant manicuring process by hand instead of using machines to remove the bulk of excess plant material (leaves, stems, etc). While less cost effective, hiring more employees to complete the task by hand will not only increase the quality of the product but serve the community better with increased employment.

2. The material trimmed from cannabis plants contains active medicinal compounds. The trimmed contents of each plant will be tracked using RFID tags.

- **Curing**

Staff will be trained to perform the necessary procedures to complete the curing process as follows:

1. Trimmed cannabis is placed into curing bins with lids.

2. Over the course of about one (1) week, bins are manually opened and closed every two (2) to four (4) hours, to slowly let out the remaining water weight.

3. The trimmed cannabis is then rotated in the curing bin and turned over intermittently.

4. These procedures will allow buds to fully dry and increase the flavor and aroma of the final product. Trimmed cannabis is considered fully dry, cured and ready for

consumption when the stem in the middle can snap easily. Once the curing process is complete, the product is ready to be packaged and sold to state-licensed dispensaries.

MANUFACTURING:

The Company operations will include a licensed manufacturing area. The company will receive bulk product from a licensed facility and use nonvolatile manufacturing machinery to produce cannabis extract.

DISTRIBUTION:

The Company operations will include a licensed distribution area. This will include the procurement, sale, and transport of cannabis and cannabis product purchased and sold between cannabis companies. Operations to include the procurement and storage of cannabis products from cultivators and manufacturers for sale to dispensaries.

SPECIAL EVENTS:

Special events will not be held on-site

SIGNAGE

Applicant will install all signage as required by in Santa Rosa Ordinance No. Ord -2017-025 in accordance with the City's sign permitting process, including the display of the permit (Santa Rosa, Cal., ORD-2017-25, Chapter 20 § 46.80 (F11)) during business hours and in a conspicuous place so that the same may be readily seen by all persons entering the facility. Black Elm Group LLC's identification signage will be permitted by the City prior to installation and will not contain any logos or information that identifies, advertises, or lists the specific products or services offered by the dispensary. Signage posted at the entrance will indicate that smoking, ingesting, or consuming cannabis on the premises or in the vicinity of the dispensary is prohibited. Entrance signage will also include a notice indicating that persons under the age of 18 may not enter the premises unless they are a qualified patient accompanied by a parent or guardian. A sign indicating active security camera monitoring will also be posted at the entrance. Our dispensary license will be posted in the lobby, in a conspicuous place so that it will be readily seen by all persons entering the dispensary.

ODOR

Black Elm Group LLC shall incorporate and maintain adequate odor control measures such that the odors of Cannabis cannot be detected from outside of the structure in which the Business operates. Operational processes and maintenance plan, including activities undertaken to ensure the odor mitigation system will be kept up to date and functional. This will include staff training procedures and engineering controls, which may include carbon filtration or other methods of air cleansing, and evidence that such controls are sufficient to effectively mitigate odors from all odor sources. All odor mitigation systems and plans submitted pursuant to this subsection shall be consistent with accepted and best available industry-specific technologies designed to effectively mitigate cannabis odors. (Santa Rosa, Cal., ORD-2017-25, Chapter 20 § 46.80 H)

LIGHTING
Interior and exterior lighting shall utilize best management practices and technologies for reducing glare, light pollution, and light trespass onto adjacent properties and the following standards:
Exterior lighting systems shall be provided for security purposes in a manner sufficient to provide illumination and clear visibility to all outdoor areas of the premises, including all points of ingress and egress. Exterior lighting shall be stationary, fully shielded, directed away from adjacent properties and public rights of way, and of an intensity compatible with the neighborhood. All exterior lighting shall be Building Code compliant and comply with Section 20-30.080 (Outdoor Lighting.)

Interior light systems shall be fully shielded, including adequate coverings on windows, to confine light and glare to the interior of the structure. (Santa Rosa, Cal., ORD-2017-25, Chapter 20 § 46.80

NOISE
Use of air conditioning and ventilation equipment shall comply with the Chapter 17- 16 (Noise). The use of generators is prohibited, except as short-term temporary emergency back-up systems. (Santa Rosa, Cal., ORD-2017-25, Chapter 20 § 46.80 J)

PARKING
The proposed project has 14 dedicated parking spaces, including one ADA space. The project as proposed complies with the City's parking requirements in that Zoning Section 20-36. 040.C which allows a parking reduction of no more than 10 spaces or a 25% overall reduction. The change in use proposed will take place in an existing building, without any enlargement in the space to be occupied by the new use, and therefore qualifies for this provision. Parking areas will be regularly monitored by staff for safety and security. Employee shifts will be staggered to accommodate onsite parking, and employees will be encouraged to utilize biking and public transportation options.

PUBLIC TRANSPORTATION
Santa Rosa City Bus regularly services the area. Lines regularly service the area every 30-60 minutes depending on the time of day. The City of Santa Rosa offers next-day ADA paratransit transportation service operates in the area and provides rides and care to disabled persons in the area. Smart services are located less than a mile away for access to and from Marin and Northern Santa Rosa.

HOURS OF OPERATION
Store Front - Retail operations shall be open to the public between 9am and 9pm seven days a week. (Santa Rosa, Cal., ORD-2017-25, Chapter 20 § 46.050(F-4)) § 5403.

Delivery - All deliveries within the City of Santa Rosa shall be done between 9am and 9pm (Santa Rosa, Cal., ORD-2017-25, Chapter 20 § 46.080(F-4))

Marketing Plan

Because cannabis is illegal under federal law, state governments and online advertising platforms are placing strict rules on how companies can market their products.

Google, Facebook and Twitter all have advertising policies that restrict the promotion of the sale of cannabis. Google's policy prohibits ads that promote "substances that alter mental state for the purpose of recreation." Facebook restricts any "illegal, prescription, or recreational drugs." And Twitter bans "illegal drugs" as well as substances that cause "legal highs." Instagram and Facebook have decided to go a step further by removing pages of cannabis related businesses.

The most effective strategies for legal marijuana companies are direct marketing at industry conferences and other events, building communities around marijuana -related concerns such as health and wellness. The marketing and sales strategy of The Black Elm Group LLC will be based on generating long-term personalized relationships with growers and manufactures.

Marketing and advertising campaign includes:

- Meeting with growers and manufactures
- E-mail Marketing
- Advertising and articles in the thematic Magazines, including
- Business events and conferences
- Business and industry associations
- Brand development
- Brochures
- Website development with search engine optimization

Target Customers

The Black Elm Group LLC will ensure that all our customers are given first class treatment whenever they visit our store. We will manage a one-on-one relationship with our customers no matter how large our customer base grows. We will ensure that we educate our customers so they make the right choices for their unique needs.

The market potential for cannabis products in California is estimated between 15 million and 21 million adults over 21 years of age. While 39% of Californians already use cannabis, another 44% are non-users interested in trying it now that it's recreationally legal.

83% of California residents are willing to try or use Cannabis Consumers' top health issues that medical cannabis can alleviate include Pain (58%), Stress (54%) and Insomnia (49%)

Most consumers are interested in edible (62%) and topical products (44%), though heavy users (use daily or almost every day) still prefer smoking (75%)

The large majority of target customers use or plan to use medical cannabis, while a smaller group will use cannabis recreationally

Selected Media Links:
http://www.cchange.net/2013/12/24/grass/
http://www.sj-r.com/article/20150227/OPINION/150229471
http://sanfrancisco.cbslocal.com/tag/scott-zeramby/
http://www.seattletimes.com/seattle-news/indoor-pot-production-leaves-giant-carbon-footprint/
http://www.countthecosts.org/sites/default/files/Energy-Up-In-Smoke.pdf
http://cannabisvoice.org/scott-zeramby-consider-the-environment-as-marijuana-industry-emerges-in-illinois/
http://greeningcorporatecannabis.com/2015/05/the-economy-of-efficiency/
https://www.bloomberg.com/view/articles/2014-01-10/marijuana-growing-has-to-change-its-energy-hogging-ways
http://www.washingtonpost.com/wp-dyn/content/article/2009/04/11/AR2009041100767.html
http://www.times-standard.com/20111007/indoor-pot-grows-carry-heavy-carbon-price-scientist-says-education-is-key-to-lowering-carbon-footprint-of-indoor-pot-grows